

# **41<sup>st</sup> ANNUAL REPORT**

## **2012-13**



**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 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 : 91-79-26401996/97  
Fax : 91-79-26404656  
Website : [www.steelcraft.co.in](http://www.steelcraft.co.in)  
Email : [ascsteelad1@gmail.com](mailto:ascsteelad1@gmail.com)

**REGISTRAR & SHARE  
TRANSFER AGENT** : Link In-Time India Private Limited  
(Ahmedabad Branch)  
303, 3rd Floor, Shopper's Plaza - V,  
Opp. Municipal Market, Off. C. G. Road,  
Navrangpura, Ahmedabad- 380009  
Tele : 91-79-26465179  
Email : [ahmedabad@linkintime.co.in](mailto:ahmedabad@linkintime.co.in)

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# AHMEDABAD STEELCRAFT LIMITED

## NOTICE

NOTICE is hereby given that the 41<sup>st</sup> Annual General Meeting of the Members of Ahmedabad Steelcraft Limited will be held on Thursday the 22<sup>nd</sup> August 2013 at 12.00 Noon in the premises of The Sports Club of Gujarat Ltd, Sardar Patel Stadium, Ahmedabad-380 014 to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt Audited Balance Sheet as at 31<sup>st</sup> March, 2013 and 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 Ashok C. Gandhi who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Viral A. Jhaveri who retires by rotation and being eligible offers himself for reappointment.
5. To appoint a Director in place of Dr. Malay Mahadeviya who retires by rotation and being eligible offers himself for reappointment.
6. To appoint Auditors and to fix their remuneration thereto.

For and on behalf of the Board

Place: Ahmedabad

Date : 28.05.2013

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 17-08-2013 TO 22-08-2013 (BOTH DAYS INCLUSIVE).
3. MEMBER ARE REQUESTED TO BRING THEIR ATTENDENCE SLIP ALONGWITH THEIR COPY OF ANNUAL REPORT TO THE MEETING AND THE SAME WILL NOT BE DISTRIBUTED.
4. THE MINISTRY OF CORPORATE AFFAIRS HAS TAKEN A 'GREEN INITIATIVE IN CORPORATE GOVERNANCE' BY ISSUING CIRCULARS ALLOWING PAPERLESS COMPLIANCES BY COMPANIES THROUGH ELECTRONIC MODE. THE SHAREHOLDERS CAN NOW RECEIVE VARIOUS NOTICES AND DOCUMENTS THROUGH ELECTRONIC MODE BY REGISTERING THEIR E-MAIL ADDRESSES WITH THE COMPANY. SHAREHOLDERS WHO HAVE NOT REGISTERED THEIR E-MAIL ADDRESS WITH THE COMPANY CAN NOW REGISTER THE SAME BY SUBMITTING DULY FILLED IN 'E-COMMUNICATION REGISTRATION FORM ATTACHED AT THE END OF THIS REPORT (ALSO AVAILABLE ON OUR WEBSITE [steelcraft.co.in](http://steelcraft.co.in)), WITH M/S LINK IN TIME INDIA PRIVATE LIMITED. THE MEMBERS HOLDING SHARES IN ELECTRONIC FORM ARE REQUESTED TO REGISTER THEIR E-MAIL ADDRESS WITH THEIR DEPOSITORY PARTICIPANTS ONLY.

**DIRECTORS' REPORT**

To:  
The Shareholders,

Your Directors have pleasure in presenting their 41<sup>st</sup> Annual Report together with Audited Accounts for the year ended on 31<sup>st</sup> March 2013.

**1. FINANCIAL RESULTS:**

	2012-2013 (₹ In Lacs)	2011-2012 (₹ In Lacs)
Profit/(Loss) before depreciation and taxation	99.18	247.63
Less:		
Exceptional Item	1.09	—
Provision for Depreciation	17.47	17.51
Provision for taxation	—	—
Deferred tax Liability	2.32	3.56
Short Provision of Income Tax of earlier years	—	(25.78)
<b>Profit/ (Loss) after tax</b>	<b>78.30</b>	<b>252.34</b>
Profit/(Loss) brought forward from last year	1669.16	1464.38
<b>Total :</b>	<b>1747.46</b>	<b>1716.72</b>
<b>APPROPRIATIONS:</b>		
Proposed Dividend	40.92	40.92
Tax on Dividend	6.64	6.64
Transfer to General Reserve	—	—
<b>Balance carried to Balance Sheet</b>	<b>1699.90</b>	<b>1669.16</b>

**2. OPERATIONS :**

The turnover of the company during the year was ₹ 651.02 Lacs in comparison of ₹ 249.25 Lacs in the previous year.

The Company continues the trading of Hot Rolled (Non-Alloy) Mild Steel Window sections 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 continues to be partner of LLPs without any change. The operational activities has commenced and the management is confident in achieving higher amount of profits in current and upcoming years.

The Company has altered the object clause of Memorandum of Association and altered Article of Association of the Company through postal ballot on 13/04/2013. The Procedure for Postal Ballot was completed in this Financial Year.

The Company has started the activities as per the new Object clause duly amended by the Stakeholders.

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 buyers interest.

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



# AHMEDABAD STEELCRAFT LIMITED

turnaround time significantly in the recent past. There has been greater awareness about green building construction in the late decade.

All these 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 ₹ 4.03 Crore upto 31.03.2013 in Light Works LLC in Mongolia for carrying on mining activities.

## 3. DIVIDEND:

The Board recommends 10 % dividend on equity shares i.e. Re.1/- per Equity share (Last Year Re 1/- Per Equity Share) for the financial year ended 31-03-2013. The Dividend will be paid to members whose name appear in the Register of Member as on 17-08-2013.

## 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 dematerialization 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, 3rd Floor, Shopper's Plaza - V  
Opp.Municipal Market, Off.C.G.Road  
Navrangpura, Ahmedabad- 380009  
Tel No : 079-26465179  
Email : ahmedabad@linkintime.co.in

No of Shares demated 34,46,247 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 31<sup>st</sup> March, 2013 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 31<sup>st</sup> March, 2013 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.Ashok C. Gandhi, Shri. Viral A. Jhaveri and Dr. Malay Mahadevia retire from the Board by rotation and being eligible, offer themselves for reappointment.

## 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 ₹ 24,00,000/- or more per annum employed throughout the year or ₹ 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 2012-13 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 : 28.05.2013

Anand V. Shah & Darshan A. Jhaveri  
Managing Directors

**ANNEXURE 1**

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

- A. Conservation of Energy :** Particulars with respect to Conservation of Energy are not applicable as the Company has not done any manufacturing activities.
- B. (1) Research and Development :** Not Applicable
- (2) Technology absorption :** Not Applicable
- C. Foreign Exchange earnings and outgo :**
- 1. Activities relating the Export :** Exporter of Hot Rolled (Non-Alloy) Mild Steel Window Door Sections
- 2. Foreign Exchange earned :** ₹ 596.58 Lacs
- Foreign Exchange used :** ₹ Nil

For and on behalf of the Board

Place: Ahmedabad  
Date : 28.05.2013

Anand V. Shah & Darshan A. Jhaveri  
Managing Directors



## COMPLIANCE CERTIFICATE FOR THE FINANCIAL YEAR ENDED 31-03-2013

To,  
The Members,  
**AHMEDABAD STEELCRAFT LIMITED**  
**AHMEDABAD**

We have examined the registers, records, books and papers of AHMEDABAD STEELCRAFT 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 the Company for the financial year ended on 31st March, 2013. In our opinion and to the best of our information and explanation furnished to us by the Company, its officers and agents, we certify that in respect of aforesaid financial year:

01. The Company has kept and maintained all registers as per the provisions and rules made there under and all entries therein have been duly recorded.
02. The Company has duly filed the forms and returns with the Registrar of Companies or other authorities under the Act and the rules made there under.
03. The Company being Public Limited Company this clause is not applicable.
04. The Board of Directors duly met (4) four times on 05.05.2012, 27.07.2012, 27.10.2012 and 25.01.2013 and in respect of which meetings, proper notices were given and proceedings were properly recorded and signed.
05. The Company has closed the Register of Members during the financial year and complied with the provisions of section 154 of act.
06. The annual general meeting for the financial year ended on 31st March, 2012 was held on 21<sup>st</sup> September, 2012 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.
07. No extra ordinary general meeting was held during the financial year.
08. The Company has not advanced loan to its directors and/or persons or firms or Companies referred in section 295 of the Act after complying with the provisions of the Act.
09. The Company has not entered into any transactions following within the purview of section 297 of the Act.
10. The Company has made the necessary entries in the register maintained under section 301 of the Act.
11. Salary drawn by Director(s) is within the purview of section 269 read with Schedule XIII of the Act.
12. The Company has issued duplicate share certificates during the financial year and complied with the issuance of Share Certificate Rules.
13. The Company
  - (i) Has delivered all the certificates on lodgment thereof for transfer in accordance with the provisions of the Act and also intimated the registrar for crediting the shares to holders in electronic form in respect of allotment made during the year.
  - (ii) Has deposited transfer divided amount in a separate bank account within prescribed time limit.
  - (iii) Posted dividend warrants within prescribed time provided under section 205 of the Companies Act, 1956.
  - (iv) Has deposited unpaid / unclaimed dividend thereon to Investor Education and Protection Fund :
  - (v) Duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted.
15. The Company has appointed the Managing Directors/ Whole time Directors under Section 269 read with schedule XIII of the Act.
16. The Company has not appointed any sole-selling agents during the financial year.
17. The Company was not required to obtain any approval of Central Government, Company Law Board, Regional Director, and Registrar.
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 Equity Shares during the financial year.



20. The Company has not bought back any securities during the financial year.
21. The Company has not issued any preference shares.
22. The Company has not borrowed any sum attracting the provisions of Section 293(1) (d) of the Act.
23. The Company has not made loans and investments, or given guarantees or provided securities to any body corporate.
24. 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.
25. The Company has not altered the provisions of the memorandum with respect to objects of the company during the year under scrutiny.
26. The Company has not altered the provisions of the memorandum with respect to the name of the company during the year under scrutiny.
27. The Company has not altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny.
28. The Company has not altered its articles of association during the financial year.
29. No prosecution is initiated against or notices received by the Company for any offences under the Act.
30. The Company has not received any security from its employees during the year under certification.
31. The provisions of section 418 of the Act is not applicable.

For, D.N. Motwani & Company  
Company Secretaries

D.N. Motwani  
(Proprietor)  
C.P.No.2431

Date: 28.05.2013  
Place: Ahmedabad

### **Certificate of Company with the Code of Conduct Policy**

As provided under clause 49 of the listing agreement with the Bombay Stock Exchange Limited the Board Members and the senior management personnel have confirmed compliance with the code of conduct and ethics for the year ended on 31 March 2013.

**For and on behalf of the Board**

**Place: Ahmedabad**  
**Date : 28.05.2013**

**Anand V. Shah & Darshan A. Jhaveri**  
**Managing Directors**





## Secretarial Compliance Report

To,  
The Members,  
Ahmedabad Steelcraft Limited,  
Ahmedabad

I have examined all relevant records of the Company relating to its compliance with the provisions of Companies Act, 1956 and rules, regulation framed there under.

It is the responsibility of the Company to prepare and maintain the relevant necessary records under the aforesaid Acts, Rules and Regulations framed there under. Our responsibility is to carry out an examination, on the basis of our professional judgment so as to provide a reasonable assurance of the correctness and completeness of the records for the purpose of report.

I have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of report and have been provided with such records, documents etc. as required by us.

I report that for financial year ended on 31 March, 2013 the Company has complied with the provisions of the Companies Act, 1956 and Rules, Regulations framed there under, as given hereunder:

1. Maintained all the statutory registers required under the Companies Act, 1956 and the Rules made there under.
2. Filed all the forms and returns and furnished all the necessary particulars to the Registrar of Companies, Gujarat, as required by the Act.
3. Filed the quarterly, half-yearly and annual disclosures physically and electronically with the Stock Exchange and SEBI, as per the applicable clauses of the Listing Agreement (as amended from time to time) and other rules, regulation, bye-laws etc.
4. Issue all notices required to be given for convening of Board/ Committee Meeting and General Meeting, within the time limit prescribed by law.
5. Conducted the Board/ Committee Meetings and Annual General Meeting as per the requirement of the Act.
6. Complied with all the requirements relating to minutes of the proceedings of the meeting of the Director/ Committee and the Shareholders.
7. The Company closed its Register of Members from 15/09/2012 to 21/09/2012 (both days inclusive) during the financial year 2012-13.
8. The Board of Directors of the Company is duly constituted. The appointment of directors has been made in accordance with the provisions of the Act.
9. Payment of Remuneration to the Directors including sitting fees, commission, etc. in compliances with the provision of the Act.
10. Filed disclosures as on 31 March as well as, from the record date fixed for the purpose of declaration of Dividend, as required under Regulation 30 of the SEBI Takeover Code.
11. The Company had constituted the Audit Committee as required under Section 292A of The Act.
12. The Company has declared dividend on 21/09/2012 for the financial year ended on 31.03.2012. The Provisions of section 205 of the Companies Act, 1956 are complied with.
13. Made due disclosure required under the other applicable provisions of the Act.

For, D.N. Motwani & Company  
Company Secretaries

**D. N. Motwani**  
(Proprietor)  
C.P.No.2431

Date: 28.05.2013  
Place: Ahmedabad



## CORPORATE GOVERNANCE REPORT

Corporate Governance is the application of best management practices, compliances of law and adherence to ethical standards to achieve the Company's objective of enhancing the shareholders value and discharge the social responsibilities. It is systematic process by which the Companies are directed and controlled to enhance their wealth generating capacity. The Governance process should ensure that these resources are utilized in a manner that meets stakeholder's aspirations and societal expectations.

Ahmedabad Steelcraft Limited remained resolute in its commitment to conduct business in accordance with the highest ethical standards and sound Corporate Governance Practices. The Company strongly believes that good corporate governance practices go a long way to achieve the objective of enhancing shareholder value and the interest of all stakeholders.

The Company has set up two tier governance structure, which helps it in strategic decision making, operation and project implementation:

- (i) **Strategic Supervision:** Overall strategic supervision and control is exercised by the Board of Directors in laying down strategic goals, major expansion projects and capital expenditure and business plans approval to ensure that Company is progressing to fulfill shareholders aspiration.
- (ii) **Operation Management and Control:** Business Management Group comprising of functional heads, steered by Managing Directors, who handles the management and coordination with regular reviews and meetings with the objective to seek continuous improvement in the Company's working and to harness the potential.

In India, corporate governance standards for listed companies are regulated by the Securities and Exchange Board of India (SEBI) through Clause 49 of the listing agreement of the Stock Exchanges. Ahmedabad Steelcraft Limited has adopted best practices mandated in the Clause 49 and has established procedures and systems to be fully compliant with it.

This chapter, along with the chapters on Management Discussion and Analysis and Additional Shareholder Information, report Ahmedabad Steelcraft Limited compliance with the Clause 49.

### Board of Directors

The Board of Directors of the Company are in a fiduciary position, empowered to oversee the management function with a view to ensure its effectiveness and enhancement of shareholders' value. The Board reviews and approves management strategic plan and business objectives and monitors the Company's strategic direction. The Board sets strategic goals and seeks accountability for their fulfillment. Acting as trustees on behalf of the shareholders, Board ensures that the Company has clear goals relating to shareholders value and growth.

### Composition of the Board

As on 31 MARCH 2013 Ahmedabad Steelcraft Limited has Board comprised of nine Directors. The Chairman is Independent Non-Executive Director.

The composition of the Board is in conformity with the Clause 49, which stipulate that at least 50 percent of the Board should consist of non-executive Directors and in case the Chairman is a non-executive Director at least one –third of the Board should be independent.

No Director is a member of more than ten committees, or acts as Chairman of more than five committees across all Companies in which they are Directors. Please note that directorships in foreign companies and private limited companies do not count towards this limit.

The non-executive Directors are appointed or re-appointed with the approval of the shareholders. All non-executive and executive Directors are liable to retire by rotation unless otherwise approved by the shareholders. One third of the Directors who are liable to retire by rotation retire every year and are eligible for re-appointment. According to the terms of the Company's Article of Association, the strength of the Board shall not be less than three and more than twelve.

### Number of Board Meetings

The Board of Directors met four times during the year on 5<sup>th</sup> May, 2012, 27<sup>th</sup> July, 2012, 27<sup>th</sup> October, 2012 and 25<sup>th</sup> January, 2013. The maximum gap between any two meetings was less than 4 months. The agenda for each meeting is prepared well in advance along with explanatory notes wherever required and distributed to all directors.

### Directors' Attendance Record and Directorship Held

As mandated by the Clause 49, none of the Directors are members of more than ten Board level committees nor are they Chairman of more than five committees in which they are members. The composition of Board of Directors during the year 2012-13 is given in Table 1.