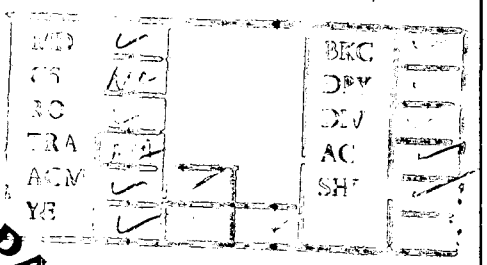
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25th ANNUAL REPORT

FOR THE YEAR ENDED 31st MARCH 1997





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AHMEDABAD STEELCRAFT LIMITED

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BOARD OF DIRECTORS

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

BANKERS : Central Bank of India
Gandhi Road
Ahmedabad 380 001

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

REGISTERED OFFICE : 205, 206, "Abhijeet"
2nd Floor, Mithakhali Six Roads,
Navrangpura, Ahmedabad 380 006.
Tele : 401996/97 - 404656
Fax : 00 - 91 - 6564656

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NOTICE

NOTICE IS HEREBY GIVEN THAT the 25th Annual General Meeting of the Company will be held on Thursday the 11th September,1997 at 12-00 noon at Commitee Room 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 the Audited Profit and Loss Account for the year ended on 31st March, 1997, the Balance Sheet as at that date and the reports of Board of Directors and Auditors.
2. To declare Dividend.
3. To appoint a Director, in place of Shri Navinbhai K. Jhaveri who retires by rotation and, being eligible offers himself for re-election.
4. To appoint a Directors in place of Shri Ashok C. Gandhi who retires by rotation and, being eligible offers himself for re-election.
5. To appoint a Director in place of Shri Gaurav A. Parikh who retires by rotation and, being eligible offers himself for re-election.
6. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS.

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

   "RESOLVED THAT in accordance with the provisions of Section 198, 269, 309 & 310 read with Schedule XIII and all other applicable provisions if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) Shri Anil K. Jhaveri be and is hereby re-appointed as the Managing Director of the Company with effect from 1/9/97 for a period of 5 years on the terms and conditions with regard to his remuneration as specified in the explanatory statement attached hereto."

   "FURTHER RESOLVED THAT in the event of loss or inadequacy of profit the aforsaid remuneration shall be paid to Shri Anil K. Jhaveri as minimum remuneration."

8. To consider and if thought fit, to pass with or without modification(s) the folowing Resolution as an Ordinary Resolution :
   "RESOLVED THAT in accordance with the provisions of Section 198, 269, 309& 310 read with Schedule XIII and all other applicable provisions if any,of the Companies

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Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) Shri Vipin D. Shah be and is hereby re-appointed as the Managing Director of the Company with effect from 1/9/97 for a period of 5 years on the terms and conditions with regard to his remuneration as specified in the explanatory statement attached hereto."

"FUTHER RESOLVED THAT in the event of loss or inadequacy of profit the aforesaid remuneration shall be paid to Shri Vipin D. Shah as minimum remuneration."

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

"RESOLVED THAT in accordance with the provisions of Section 198, 269, 309 & 310 read with Schedule XIII and all other applicable provisions if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) Shri Shailesh D. Shah be and is hereby re-appointed as the Whole Time Director (Designated as Executive Director) of the Company with effect form 1/9/97 for a period of 5 years on the terms and conditions with regard to his remuneration as specified in the explanatory statement attached hereto."

"FUTHER RESOLVED THAT in the event of loss or inadequacy of profit the aforesaid remuneration shall be paid to Shri Shailesh D. Shah as minimum remuneration."

By Order of the Board

Place : Ahmedabad

Date : 28.06.97

ANIL K. JHAVERI
CHAIRMAN

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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.
2. TheRegister of Members and Share Transfer Book of the Company will remain closd from 2nd September, 1997 to 11th September, 1997 (both days inclusive).
3. Explhatory Statement U/S 173 (2) in respect of Special Business is annexed.
4. Divicnd, if declared, will be payable from 21-10-97 to those Members whose

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names appear on the Register of Members of the Company on 11-9-97.

5. Members are requested to notify change in their address if any.

6. With a view to provide protection against fradulent 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 the dividend warrants. Such details should reach the Company latest by 15th September, 1997.

ANNEXURE TO THE NOTICE

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

ITEM NOS. 7, 8 & 9

The tenure of Shri Anil K. Jhaveri and Shri Vipin D. Shah as the Managing Directors of the Company and Shri Shailesh D. Shah as the Whole Time Director (Designated as Executive Director) of the Company expires on 31.8.97. The Board of Directors in their meeting held on 28.06.97 have, subject to approval of members of the Company re-appointed Shri Anil K. Jhaveri, Shri Vipin D. Shah and Shri Shailesh D. Shah (hereinafter referred to as these Directors) in the same position for a further period of 5 years commencing from 01. 09. 97. The remuneration payable to each of these Directors is as under :

1) Salary Rs. 12,000/- per month in the scale of Rs. 12,000 - 500 - 14,000.
2) Perquisites : Following perquisites will be provided subject to the 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 a 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 3 months 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 personal accident for self and dependents not exceeding Rs. 4,000/- per annum.

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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 the Income Tax Act.

Encashment of leave at the end of the 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 these Directors.

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

Shri Anil K. Jhaveri and Shri Navin K. Jhaveri are concerned or interested in the resolution at item No. 7.

Shri Vipin D. Shah, Shri Shailesh D. Shah and Shri Girish D. Shah are concerned or interested in the resolutions at item No. 8 & 9.

The above explanation may be regarded as an abstract of terms and memorandum of interest under Section 302 of the Companies Act, 1956.

These Directors are closely associated with the management of this Company for last several years and your Directors recommend the resolutions set out at item No. 7, 8 & 9 of the notice for approval of the members.

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Place : Ahmedabad

Date : 28.06.97

By Order of the Board

ANIL K JHAVERI
CHAIRMAN

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DIRECTORS' REPORT

To,
The Shareholders,

Your Directors have pleasure in presenting their **TWENTY FIFTH ANNUAL REPORT** together with audited accounts for the year ended on 31st March, 1997.

1. FINANCIAL RESULTS :

	1996-97 (Rs in lacs)	1995-96 (Rs in lacs)
Profit before depreciation & taxation	72.34	36.44
Provision for depreciation	23.76	24.02
provision for taxation	17.80	.....
Profit after tax	30.78	12.42
Add :		
Profit brought forward from last year	.....	0.39
Excess(Short) Provision for taxation	(-)00.01	0.59
Transfer from General Reserve	.....	7.06
	30.77	20.46
APPROPRIATIONS		
Proposed dividend	30.69	20.46
Transfer to General Reserve	....	....
Balance carried to Balance Sheet	00.08	....
	30.77	20.46

2. DIVIDEND

Your Directors are pleased to recommend a dividend of 7.5% for the year under review. This will absorb an amount of Rs. 30.69 lacs. As per the new provisions of the Income Tax Act the Company shall have to pay additional tax @ 10% on the amount of dividend under Section 115-0 of the Income Tax Act, 1961. This will absorb further amount of Rs. 3,06,900 for which provision has been made in Accounts under the head provision for Taxation.

3. OPERATIONS

The Steel Re-rolling Industry in general is under the grip of recessionary trend and facing the problem of excess capacity. This factor affected the working of your Company also. The problem of power shortage and shortage in availability of raw-material continued. However, there is some improvement in the working of the Company for the year and it is hoped that the trend of improvement shall continue.

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4. FINANACE AND BANKING

There was no change in the credit facilities enjoyed by the Company from its Bankers Central Bank of India. There is no term loan borrowing from the Bankers or Financial Institutions.

5. INSURANCE

All the assets of the Company have been adequately insured.

6. DEPOSITS

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

7. DIRECTORS

As per the provisions of the Articles of the Association of the Company Shri Navinbhai K. Jhaveri, Shri Ashok C. Gandhi and Shri Gaurav A. Parikh retire from the Board by rotation and being eligible offer themselves for the re-election.

8. PERFORMANCE Vs. PROJECTIONS

The Projections of Profitability which has been reported in the Prospectus of the Company Vs. the Actual Performance of the Company for 1996-97 is given below :

	Projections for the year (Rupees in lakhs)	Audited Financial figures for the year 1996-97 (Rupees in lakhs)
Sales(net of excise)	2620	1220
Net profit before tax	253	49
Profit after tax	180	31
Dividend	25%	7.5%

EXPLANATION FOR VARIATION :

The explanation for variation as stated in last years report still hold good. To reiterate the same it may be stated that the technical upgradation programme as envisaged by the Company could not be implemented on account of the recessionary market conditions. Besides this there was acute shortage of power supply and raw-materials. The cost of raw-materials and other inputs increased substantially without a matching rise in the prices of finished products.

9. APPOINTMENT OF AUDITORS

M/S DHIREN SHAH & 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.

10. PARTICULATS OF EMPLOYEES

There were no employees drawing remuneration of Rs. 3,00,000 or more per annum employed

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throughout the year or Rs. 25,000/- or more, per month employed for a part of the year.

11 CONSERVATION OF ENERGY,TECHNOLOGY ABSORPTION AND FOREIGN EXCHANG 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. APPRECIATION

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 cooperation extended by the Bankers to the Company.

For and on behalf of the Board

Place : Ahmedabad
Date : 28.06.97

ANIL K. JHAVERI
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** : We introduced double length rolling of some of the Sections and by doing so the average consumption of Furnace oil could be reduced to the extent of about 5 litres per ton of production. Particulars required in Form A as per rule 2 is appended.

B. (1) **Research and Development** : Besides the test and normal research nothing significant was felt necessary.
(2) **Technology absorption :** There is no change in technology.

C. **Foreign Exchange earning and outgo.**

(1) Activities relating to Exports : The Company continued its efforts for increasing its exports. The exports during the year were increased by 27% in comparision to previous years export in terms of value,whereas in terms of quantity the increase was to the extent of 10%.

(2) Foreign Exchange earned Rs. 439.24 lakhs

(3) Foreign Exchange used Rs. 4.32 lakhs

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