SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

32nd ANNUAL REPORT
2003-2004

AHMEDABAD STEELCRAFT LIMITED

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

CONTENTS	PAGE NO.
Board of Directors	3
Notice	4
Director's Report	5
Management's Discussion & Analysis Report	9
Corporate Governance Report	11
Auditor's Report on Corporate Governance	18
Auditor's Report	19
Balance Sheet	22
Profit & Loss A/c.	23
Schedules - A to V	24
Cash Flow Statement	41
Proxy From & Attendance Slip	43

ReportJunction.com

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

BOARD OF DIRECTORS :

Shri Anilbhai Kasturbhai Jhaveri	-	Chairman
Shri Anandbhai Vipinbhai Shah	-	Managing Director
Shri Darshan A. Jhaveri	-	Managing Director
Shri Shashank I. Shah	-	Executive Director
Shri Anand N. Jhaveri	-	Executive Director
Shri Girishbhai Dahyabhai Shah	-	Executive Director
Shri Viral A. Jhaveri	-	Executive Director
Shri Navinbhai Kasturbhai Jhaveri		
Shri Ashok C. Gandhi		
Shri Jawahar I. Mehta		
Shri Kanishka H. Kaji		

BANKERS : Central Bank of India
Lal Darwaja
Ahmedabad 380 001

AUDITORS : DHIREN SHAH & CO
Charted 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 : 91-79-26404546
E-mail : ascsteelad1@sancharnet.in
Website : www.steelcraft.co.in

FACTORY : Odhav Road, Ahmedabad-382 410.

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

NOTICE

NOTICE is hereby given that the 32th Annual General Meeting of the Members of Ahmedabad Steelcraft Limited will be held on Thursday the 23th September, 2004 at 12.00 Noon in the premises of Gujarat Chamber of Commerce and Industry, Ashram Road, Ahmedabad - 380 009 to transact the following business.

1. To receive, consider and adopt Audited Balance Sheet as at 31st March, 2004 and 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.
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 Girishbhai D. Shah who retires by rotation and being eligible offers himself for reappointment.
5. To appoint a Director in place of Shri Viral A. Jhaveri who retires by rotation and being eligible offers himself for reappointment.
6. To appoint Auditors and to fix their remuneration thereto

On Behalf of the Board of Directors

Place :Ahmedabad
Date :30-06-2004

ANIL K. JHAVERI
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 hours before the commencement of Meeting.
2. The Register of Members and Share Transfer book of Company will remain closed from 16-09-2004 to 23-09-2004 (Both days inclusive)
3. The Dividend as recommended by the Board, if sanctioned at the Meeting, will be paid from 27-09-2004 to those members whose names appear on the Company register of members on 23-09-2004 in respect of the shares in electronic from. The dividend will be payable on the basis of beneficial ownership as per details furnished by the Depositories for this purpose.
4. The Shareholders who have not enchased their dividend for the financial year 1996-97 are requested to revalidate their dividend warrants before 31-10-04, the dividend not enchansed thereafter, will be transferred to investor protection fund.

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

DIRECTORS'S REPORT

To,
The Shareholders,

Your Directors have pleasure in presenting their 32nd Annual Report together with Audited Accounts for the year ended on 31st March, 2004.

1. FINANCIAL RESULTS :

	2003-2004 (Rs. in Lacs)	2002-2003 (Rs. in Lacs)
Profit before depreciation and taxation	72.67	152.62
Less:		
Provision for depreciation	41.12	45.44
Provision for taxation	07.00	16.00
Add : Deferred tax credit	0.96	3.96
Profit after depreciation / tax	25.51	95.14
Add :		
Excess/(Short) provision in previous year	0.44	-0.49
Profit brought forward from last year	222.56	173.09
Total	**248.51**	**268.72**
APPROPRIATIONS:		
Proposed Dividend	30.69	40.92
Tax on Dividend	03.93	5.24
Transfer to General Reserve	--	--
Balance carried to Balance Sheet	213.89	222.56
	248.51	**268.72**

2. DIVIDEND :

Your Directors are pleased to recommend a dividend @ 7.5% for the year under review as against a dividend of 10% declared last year. The dividend will absorb an amount of Rs.34.62 Lakhs including Tax on Dividend of Rs.03.93 Lakhs.

3. OPERATIONS :

The working of the Company has been adversely affected on account of depressed market conditions in our products and steep increase in raw material prices coupled with Iraq/Us war which made the management more vigilant in export market resulting in lower turn over compared to that of last year. However, the management has been successful in exploring new markets overseas as well as domestic and the fruitful result of the same will be reflected in the current year and years to come.

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

Further more, Iraq/U.S. war has opened the avenue in the global market and on account of stringent efforts of the management, the Board is hopeful to obtain good chunk of market. We hope with new restructuring in the market, the Company will be able to occupy positive position in the global as well as domestic market.

4. WIND MILL :

Our Wind Mill at Lamba continues to work satisfactorily.

5. 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 from with either of these depositories.

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

No. of Shares demated 20,53,222 being 50.18% of paid-up capital

6. 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 2004, 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 judgements 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 has prepared the accounts for the Financial Year ended31stMarch, 2004 on a 'going concern basis'.

7. INSURANCE :

All the assets of the Company have been adequately insured.

8. DIRECTORS :

As per the provisions of Articles of Association Sarva Shri Shashank I. Shah, Shri Girish D. Shah and Shri Viral A. Jhaveri retires from the Board by rotation and being eligible offer themselves for reappointment.

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

9. 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.

10. APPOINTMENT OF AUDITORS :

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

11. 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.

12. 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.

13. 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 the line with clause 49 is annexed to and forms part of the Director's Report. The management is making efforts to comply with minimum requirement of independent director as prescribed under clause 49 of listing agreement.

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
ANIL K. JHAVERI
CHAIRMAN

Place : Ahmedabad
Date : 30-06-2004

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 given in Form-A enclosed.

B. 1. Research and Development: Besides the test and normal research nothing significant was felt necessary. Two 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. 358.25/- Lakhs
   Foreign Exchange used Rs. 11.41/- Lakhs

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

FORM - A

(Forming Part of Annexure I)

Form for disclosure of particulars with respect to conservation of energy

		2003-04	2002-03
A.	**POWER AND FUEL CONSUMPTION :**		
	1. Electricity		
	(a) Purchased Units	9,99,820	11,21,652
	Total Amount Rs.	50,79,744	55,86,930
	Rate/Unit Rs.	5.08	4.98
	(b) Own Generation (through Diesel (Generator)		
	Only for emergency lighting & workshop purpose.		
	No production achieved through Generators.		
	i. Units produced	1,440	1,120
	ii. Qty of diesel consumed Ltrs.	881	603
	iii. Units per litre of Diesel	0.61	1.85
	iv. Cost of diesel consumed Rs.	22,082	13,055
	v. Cost / Unit Rs.	15.33	11.66
	2. Coal (specify quantity & where used)		
	Quantity (Tonnes)	Nil	Nil
	Total Cost	Nil	Nil
	Average Rate	Nil	Nil
	3. Furnace Oil		
	Quantity (In Ltrs)	5,29,000	6,16,000
	Total Amount Rs.	60,17,330	72,69,912
	Average Rate (per ltrs) Rs	11.37	11.80
	4. Other/internal generation		
	(Please give details of quantity)	Nil	Nil
B.	CONSUPTION PER M.T. OF PRODUCTION:		
	Product (Steel Sections)	Nil	Nil
	Electricity (Units)	130	132
	Furnace Oil (Ltrs.)	69	72
	Coal (Specify quantity)	Nil	Nil
	Others	Nil	Nil

For and On Behalf of the Board of Directors

Anil K. Jhaveri

Chairman

Place : Ahmedabad

Date : 30-06-2004

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

MANAGEMENT'S DISCUSSION & ANALYSIS REPORT

(Pursuant to cluase 49 of the listing agrrement with stock exchange)

The Company's performance and out look fin 2003-04 is discussed as under :-

The Company's operations falls under single segment i.e M.S Window, Door and Ventilator Sections.

(A) INDUSTRY ANALYSIS

The Company's products are used in manufacturing steel windows, doors & ventilator & construction activities for fixing windows and doors, frames and the shutters thereof.

Our Company in this industry stands out in the country as most prominent manufacturing entire range of Window. Door and Ventilator Sections to the extent of about 60 Profiles. It manufacture sections as per ISI & BSS standards. Almost 80% of the total export of these Sections from India is contributed by our Company and is a leading exporter of Sections having won many times EEPC awards of Excellence in exports.

MARKET SCENARIO

The sales of the Company was dropped on account of prevailing recession and iraq/US war resulting an overall decrease in export turnovers, This has also affected the profitability of the Company.

MANUFACTURING

During the year concerted efforts were taken to lower production costs by process improvements and cost reduction by way of reducing reduction in wastage. However the procurement cost were enhanced during the year without any simultaneous increase in output cost. This resulted into lower profit margin.

DEVELOPMENT AND OUTLOOK

The sluggish trend in the industry continued during the whole of 2003-04 . Threats to Industry are in the form of competition from global players with cheap imports in finished products. Price pressure and increasing customer expectations on quality and services level are continuing challenges for our products. Alternative material like Aluminium and Plastic Sections and Profiles also are a force to reckonwith in many parts of world where living standards are high.

RISK MANAGEMENT

The evaluation of risk exposure as perceived by the Management is given below.

(i) CURRENCY RISK

These risk emerges from the potential upward. and downward fluctuation in foreign Currency.

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

(ii) LIQUIDITY RISK

The Company has wide Customer base all over the Country, However liquidity will not be affected perceptibly by defaults by few customers.

(iii) LEGAL AND STATUTORY RISK

Legal compliance is given due importance in the Company as internal process for ensuring statutory compliance across the Company.

(iv) POLITICAL RISK

Apart from Generic Government polices (Like taxation, frequent changes in imports, Labour cost, etc) which affect all industries, there are no specific government polices that impact Company's business. There is change in Export - Import Policy regards to Export incentives and procedure, which can affect viability of Exports.

(v) FINANCE

The Company has marginal borrowing from bank during the year 2004-05.

(vi) HUMAN RESOURCES

Proactive and collaborator approach towards industrial relations supported by positive mind sets amongst all employees ensured cordial employee reforms at all departments.

(vii) INTERNAL CONTROLS

The Company has an established framework of internal control for ensuring optimal use of resources and safeguarding of assets.

For Ahmedabad Steelcraft Ltd.
A. K. Jhaveri
Chairman

Place : Ahmedabad
Date : 30-06-2004

www.reportjunction.com