

# **36<sup>th</sup> ANNUAL REPORT**

## **2007-2008**



**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
Snri 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**

: Odhav Road, Ahmedabad-382 410.

**NOTICE**

NOTICE is hereby given that the 36<sup>th</sup> Annual General Meeting of the Members of Ahmedabad Steelcraft Limited will be held on Thursday, 11<sup>th</sup> September 2008 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 on 31<sup>st</sup> March, 2008 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 Anand V. Shah who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Shri Darshan A. Jhaveri who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Shri Kanishka H. Kazi who retires by rotation and being eligible offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration thereto

Place : Ahmedabad

Date : 30-06-2008

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 HOUR BEFORE THE COMMENCEMENT OF MEETING.
2. THE REGISTER OF MEMBERS AND SHARE TRANSFER BOOK OF COMPANY WILL REMAIN CLOSED FROM 6-9-2008 TO 11-9-2008 (BOTH DAYS INCLUSIVE)
3. THE SHAREHOLDERS WHO HAVE NOT ENCASHED THEIR DIVIDEND FOR THE FINANCIAL YEAR 2000-01 ARE REQUESTED TO GET THEIR DIVIDEND WARRANTS REVALIDATE BEFORE 30-10-2008 THE DIVIDEND NOT ENCHANGED BEFORE 30-10-2008, WILL BE TRANSFERRED TO INVESTOR PROTECTION FUND.



## DIRECTORS' REPORT

To,  
The Shareholders,

Your Directors have pleasure in presenting their 36<sup>th</sup> Annual Report together with Audited Accounts for the year ended on 31st March, 2008.

## 1. FINANCIAL RESULTS :

	2007-2008 (Rs. in Lacs)	2006-2007 (Rs. in Lacs)
Profit / (Loss) before depreciation and taxation	(158.61)	(59.89)
<b>Less:</b>		
Provision for depreciation	37.64	37.20
Provision for taxation	9.90	-
<b>Add : Deferred tax credit</b>	-	-
Profit / (Loss) after tax	(206.15)	(97.09)
<b>Add :</b>		
Prior Period Expenses	(0.60)	-
Profit / (Loss) brought forward from last year	(217.04)	(119.95)
<b>Total</b>	<b>(423.79)</b>	<b>(217.04)</b>
<b>APPROPRIATIONS:</b>		
Proposed Dividend	-	-
Tax on Dividend	-	-
Transfer to General Reserve	-	-
Balance carried to Balance Sheet	<b>(423.79)</b>	<b>(217.04)</b>

## 2. OPERATIONS :

The turnover of the Company during the year was Rs. 1038.31 Lacs in comparison of Rs. 2551.29 Lacs. The Company has stopped the operational activities resulting into reduction in turnover. Due to depreciation in dollar the Company incurred huge lossess which are un sustainable. In the present scenario the Company is not in a position to face stiff competition from domestic and global market. Accordingly the company altered the main object for enabling it to carry on business of real estate and develop the logistic park. Authority was given to the Board to dispose off the existing undertaking. In view of this authority the Company disposed off its plant and machinery in the month of April 2008

The management is expecting surplus fund from the sell of its assets which could be utilized for exploring new areas as per the altered object clause.

**3. DIVIDEND:**

In view of loss your Board do not recommend dividend for the financial year ended 31-03-2008.

- 4. WORKING CAPITAL :** The Central Bank of India while sanctioning the revised credit facility stipulated that short fall in working capital shall be met by the promoters of the Company by their own sources. Accordingly, your Directors have brought in unsecured loan of Rs. 15.00 lacs from themselves and their relatives. The Company has otherwise not accepted any deposit during the year from shareholders/others.

**5. WIND MILL :**

Our Wind Mill at Lamba has been disposed off in the month of May 2008..

**6. 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 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 25,03,297 being 61.18% of paid-up Capital.

**7. 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 2008, 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 have prepared the accounts for the Financial Year ended 31<sup>st</sup> March, 2008 on a 'going concern' basis.

**8. INSURANCE:**

All the assets of the Company have been adequately insured.

**9. DIRECTORS :**

As per the provisions of Articles of Association Sarva Shri Anand V. Shah, Shri Darsahn A. Jhaveri, and Shri Kanishka H. Kazi retire from the Board by rotation and being eligible to offer themselves for reappointment.

**10. 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.

**11. APPOINTMENT OF AUDITORS :**

M/S. DHIREN SHAH AND 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.

**12. PARTICULARS OF EMPLOYEES :**

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

**13. 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

**14. 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.

**15. 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

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

Place : Ahmedabad

Date : 30-06-2008

**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.  
(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. 714.26 Lacs  
Foreign Exchange used      -



## AHMEDABAD STEELCRAFT LIMITED

## FORM - A

(Forming Part of Annexure I)

Form for disclosure of particulars with respect to conservation of energy

**A. POWER AND FUEL CONSUMPTION****1. Electricity**

	<b>2007-08</b>	<b>2006-07</b>
(a) Purchased Units	5,58,625	12,94,410
Total Amount Rs.	24,77,078	59,82,552
Rate/Unit Rs.	4.43	4.62
(b) Own Generation (through Diesel Generator) Only for emergency lighting & workshop purpose. No production achieved through Generators.		
i. Units produced	-	100
ii. Qty of diesel consumed Ltrs.	-	219
iii. Units per litre of Diesel	-	2.19
iv. Cost of diesel consumed Rs.	-	9,529
v. Cost Unit Rs.	-	95.29

**2. Coal (specify quantity & where used)**

Quantity (Tonnes)	433	282
Total Cost	20,38,604	13,34,967
Average Rate	4,708.09	4,733.93

**3. Furnace Oil**

Quantity (In Ltrs)	33,193	6,59,543
Total Amount Rs.	5,89,617	114,90,390
Average Rate (per ltrs) Rs	17.76	17.42

**4. Other/internal generation**

(Please give details of quantity)	Nil	Nil
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**B. CONSUMPTION PER M.T. OF PRODUCTION:**

Product (Steel Sections)	2,861	8,136
Electricity (Units)	195	159
Furnace Oil (Ltrs.)	12	81
Coal (Kgs)	151	35
Others	Nil	Nil

Place : Ahmedabad

Date : 30-06-2008

For and On Behalf of the Board of Directors  
**Anand V. Shah and Darshan A. Jhaveri**  
 Managing Directors





## Ahmedabad Steelcraft Limited

### Corporate Governance

The Company's Shares are listed on Bombay Stock Exchange Limited in India. In accordance with clause 49 of listing agreement with the stock exchange on Corporate Governance the details of compliance by the Company are as under:

#### 1. Company's Philosophy on code of governance :

The Company's Philosophy of corporate governance is aimed at assisting the top management of the company in the efficient conduct of its business and in meeting its obligation to shareholders. The Company believes that all its operations and actions must serve the underlying goal of enhancing overall share holder value, over a sustained period of time.

#### 2. Board of Directors :

##### Composition

The Board of Directors of the Company consists of 9 Members comprising of.

- Six Promoters Directors who are in the Whole time employment of the Company.

Three Independent Directors.

Shri Ashok C. Gandhi, Independent director is the Chairman of the Company.

Other Directorship / Committee memberships held :

No. of Directorships

Name of Director	Category	Designation	Committee Membership Held in Other Companies	Committee Chairman-ship	Director in other Comp.
Shri Anand V. Shah	Relative of Promoter	Managing Director	Nil	Nil	6
Shri Darshan A. Jhaveri	Relative of Promoter	Managing Director	Nil	Nil	1
Shri Shashank I. Shah	Relative of Promoter	Executive Director	Nil	Nil	1
Shri Anand N Jhaveri	Relative of Promoter	Executive Director	Nil	Nil	Nil
Shri Girish D. Shah	Promoter	Executive Director	Nil	Nil	2



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Shri Viral A. Jhaveri	Relative of Promoter	Executive Director	Nil	Nil	Nil
Shri Ashok C. Gandhi	Independent	Director	8	2	9
Shri Jawahar I. Mehta	Independent	Director	1	1	1
Shri Kanishka H. Kaji	Independent	Director	Nil	Nil	1

Brief Resume of the Director being reappointed at the ensuing annual general meeting, nature of their expertise in specific functional areas and name of the Companies in which they hold directorship and membership of the committees of the Board are furnished hereunder.

Shri Anand V. Shah aged about 45 years is Commerce Graduate having experience of about 20 years in finance, administration & marketing.

Shri Darshan A. Jhaveri aged about 44 years is M.B.A. from USA having experience in corporate and business over two decades.

Shri Kanishka Kaji aged about 77 years is Senior advocate in High court having experience of about five decades.

**c) Board Meeting held during the year:**

S. No.	Date of Board Meeting
1.	13.04.2007
2.	18.06.2007
3.	28.07.2007
4.	27.10.2007
5.	13.12.2007
6.	28.01.2008
7.	20.02.2008

The maximum time gap between any two meetings during the financial year 2007-08 was not more than three calendar months. None of directors of the Company was member of more than ten committee nor was the chairman of more than five committees across the all company in which they are a director.

**d) Attendance of Directors at Board Meetings and Last Annual General Meeting :**

Name of Director	Meetings Attended	Attendance at last A.G.M.
Shri Ashok C. Gandhi	06	Yes
Shri Anand V. Shah	07	Yes
Shri Darshan A. Jhaveri	07	Yes
Shri Shashank I. Shah	05	Yes
Shri Anand N. Jhaveri	07	Yes
Shri Girish D. Shah	02	Yes
Shri Viral A. Jhaveri	07	Yes
Shri Jawahar I. Mehta	05	Yes.
Shri Kanishka H. Kaji	05	Yes