

37th ANNUAL REPORT

2008-2009



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 Kanishka H. Kaji	- Director

BANKERS

: Central Bank of India
Lal Darwaja
Ahmedabad 380 001

HDFC Bank Ltd.
Mithakhali Six Road, Navrangpura,
Ahmedabad - 380 006.

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 380 006
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 37th Annual General Meeting of the Members of Ahmedabad Steelcraft Limited will be held on 3rd September, 2009 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, 2009 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 Shashank I. Shah who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Shri Anand N. Jhaveri who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Shri Girish D. Shah who retires by rotation and being eligible for reappointment.
5. To appoint Auditors and to fix their remuneration thereto

By Order of the Board of Directors

ASHOK C. GANDHI
CHAIRMAN

Date : 09-05-2009

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 BEFORE THE COMMENCEMENT OF MEETING.
2. THE REGISTER OF MEMBERS AND SHARE TRANSFER BOOK OF COMPANY WILL REMAIN CLOSED FROM 01-9-2009 TO 03-09-2009 (BOTH DAYS INCLUSIVE)
3. THE SHAREHOLDERS WHO HAVE NOT ENCHANGED THEIR DIVIDEND FOR THE FINANCIAL YEAR 2001-2002 ARE REQUESTED TO REVALIDATE THEIR DIVIDEND WARRANTS BEFORE 30-10-2009 THE DIVIDEND NOT ENCHANGED BEFORE, WILL BE TRANSFERRED TO INVESTOR PROTECTION FUND.

**DIRECTORS' REPORT**

To,
The Shareholders,

Your Directors have pleasure in presenting their 37th Annual Report together with Audited Accounts for the year ended on 31st March, 2009.

1. FINANCIAL RESULTS :

	2008-2009 (Rs. in Lacs)	2007-2008 (Rs. in Lacs)
Profit / (Loss) before depreciation and taxation	244.94	(158.61)
Less:		
Provision for depreciation	8.26	37.64
Provision for taxation	65.00	—
Provision for FBT	3.09	1.37
Wealth Tax Paid	0.57	—
Deferred tax Liability	8.03	8.53
Add : Excess Provision For FBT	0.22	—
Profit/(Loss) after tax	160.21	(206.15)
Add:		
Prior Period Expenses	0.00	(0.60)
Transfer from Re valuation Reserve A/C (On disposal of Fixed Assets)	34.41	—
Profit for the year	194.62	(206.75)
Profit (Loss) brought forward from last year	(423.79)	(217.04)
Total	(229.18)	(423.79)
APPROPRIATIONS:		
Proposed Dividend	—	—
Tax on Dividend	—	—
Transfer to General Reserve	—	—
Balance carried to Balance Sheet	(229.18)	(423.79)

2. OPERATIONS :

The turnover of the Company during the year was Rs. 428.48 Lacs in comparison of Rs. 1038.31 Lacs. The Company has stopped the operational activities resulting into reduction in turnover. The Company has pursuant to resolutions passed through postal ballot has disposed off substantial assets during the year and has invested in real estate business. It also continues the trading of angels, mild steel window section. In the current year the Company obtained the approval of Shareholders for making investment in overseas body corporate and to carry on mining activities. The Company has promoted Light Works LLC in Mongolia for carrying on mining activities and has invested Rs. 3.85 crore in the said company in the current year.

On implementation of proposed project, the management expects better results in the current year and years to come.

**3. DIVIDEND:**

In view of Carry Forward loss your Board do not recommend dividend for the financial year ended 31-03-2009.

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 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 25,16,912 being 61.51% 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 2009, the applicable accounting standards have been followed along with proper explanation relating to material departures. This is subject to Accounting Standard 13 in respect of the current investments which 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 31st March, 2009 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 Sarva Shri Shashank I. Shah, Shri Anand N. Jhaveri and Shri Girish D. Shah, retires from the Board by rotation and being eligible to offer themselves for reappointment.

Shri Jawahar I. Mehta has resigned from the Board and Audit Committee in the current year. The Board appreciates the guidance provided by him during his tenure as Director and member of Audit Committee.

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. 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. 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 the line with clause 49 is annexed to and forms part of the Director's Report.

13. COMPLIANCE CERTIFICATE:

Pursuant to provision to section 383A of the Companies Act, 1956, Compliance Certificate for the Financial Year 2008-09 from M/s. D.N.Motwani & Co., Company Secretaries is obtained.

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

Anand V. Shah and Darshan A. Jhaveri

Managing Directors

Place : Ahmedabad

Date : 09-05-2009

ANNEXURE I

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. 2,84,22,326 /-
Foreign Exchange used Rs. --

**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**

	2008-09 Refer Note Below N.A.	2007-08
(a) Purchased Units		5,58,625
Total Amount Rs.		22,77,078
Rate/Unit Rs.		4.43
(b) Own Generation (through Diesel Generator)		
Only for emergency lighting & workshop purpose.		
No production achieved through Generators.		
i. Units produced		—
ii. Qty of diesel consumed Ltrs.		—
iii. Units per litre of Diesel		—
iv. Cost of diesel consumed Rs.		—
v. Cost Unit Rs.		—

2. Coal (specify quantity & where used)

Quantity (Tonnes)	N.A.	433
Total Cost		20,38,604
Average Rate		4708.09

3. Furnace Oil

Quantity (In Ltrs)	N.A.	33,193
Total Amount Rs.		5,89,617
Average Rate (per ltrs) Rs		17.76

4. Other/internal generation

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

Product (Steel Sections)	N.A.	2,861
Electricity (Units)		195
Furnace Oil (Ltrs.)		12
Coal (Kgs)		151
Others		Nil

Note : During the year the company has not carried out manufacturing activities hence details regarding power and fuel consumption is not applicable.

Place : Ahmedabad

Date : 09-05-2009

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 :**

a) 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.

b) Other Directorship / Committee memberships held :

No. of Directorships

Name of Director	Category	Designation	Committee Membership Held in Other Companies	Committee Chairmanship	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	Relative of Promoter	Executive Director	Nil	Nil	2



AHMEDABAD STEELCRAFT LIMITED

Shri Viral A. Jhaveri	Relative of Promoter	Executive Director	Nil	Nil	Nil
Shri Ashok C. Gandhi	Independent	Director	7	1	7
*Shri Jawahar I. Mehta	Independent	Director	1	1	1
Shri Kanishka H. Kaji	Independent	Director	Nil	Nil	1

* Shri Jawahar I. Mehta has resigned from the Board effective from 07-04-2009

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 N. Jhaveri aged about 40 years is Commerce Graduate having experience of about 18 years in the industry.

Shri Shashank I Shah aged about 61 years is an Engineer having experience in corporate and business of about 30 years in the industry.

Shri Girish D. Shah is B.Comm, LL.B aged about 68 years is having experience of about 35 years in Corporate World.

c) Board Meeting held during the year:

S. No.	Date of Board Meeting
1.	30.06.2008
2.	31.07.2008
3.	25.10.2008
4.	30.01.2009
5.	16.03.2009

The maximum time gap between any two meetings during the financial year 2008-09 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 the 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	05	Yes
Shri Anand V. Shah	05	Yes
Shri Darshan A. Jhaveri	05	Yes
Shri Shashank I. Shah	04	Yes
Shri Anand N. Jhaveri	05	Yes
Shri Girish D. Shah	05	No
Shri Viral A. Jhaveri	05	Yes
Shri Jawahar I. Mehta	05	Yes.
Shri Kanishka H. Kaji	04	Yes