

**39th ANNUAL REPORT
2010-2011**



AHMEDABAD STEELCRAFT LIMITED



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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
Shri Rajiv D. Gandhi (Resigned with effect from 14-04-2011)	- Director

BANKERS

: HDFC Bank Ltd.
Mithakhali Six Road, Navrangpura,
Ahmedabad - 380 009.

AUDITORS

: 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 - 380006
Tele : 26401996/97
Fax : 91-79-26404656
E-mail : ascsteelad1@sancharnet.in
Website : www.steelcraft.co.in



AHMEDABAD STEELCRAFT LIMITED

NOTICE

NOTICE is hereby given that the 39th Annual General Meeting of the Members of Ahmedabad Steelcraft Limited will be held on 28th September, 2011 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, 2011 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 on equity shares.
3. To appoint a Director in place of Shri Anand V. Shah who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Shri Darshan A. Jhaveri who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Shri Kanishka H. Kaji who retires by rotation and being eligible offers himself for reappointment.
6. To appoint Auditors and to fix their remuneration thereto.

Place : Ahmedabad

For and on behalf of the Board

Date : 23-07-2011

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 21.09.2011 TO 28.09.2011 (BOTH DAYS INCLUSIVE).
3. THE SHAREHOLDERS WHO HAVE NOT ENCASHED THEIR DIVIDEND FOR THE FINANCIAL YEAR 2003-04 ARE REQUESTED TO REVALIDATE THEIR DIVIDEND WARRANTS BEFORE 31.10.2011. THE DIVIDEND NOT ENCASHED BEFORE, 31.10.2011 WILL BE TRANSFERRED TO INVESTOR PROTECTION FUND.
4. THE MINISTER OF CORPORATE AFFAIRS HAS TAKEN A 'GREEN INITIATIVE IN CORPORATE GOVERNANCE' BY ISSUING CIRCULARS ALLOWING PAPERLESS COMPLAINTS 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 www.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 39th Annual Report together with Audited Accounts for the year ended on 31st March 2011.

1. FINANCIAL RESULTS :

	2010-2011 (Rs. in Lacs)	2009-2010 (Rs. in Lacs)
Profit / (Loss) before depreciation and taxation	2475.62	(25.34)
Less:		
Provision for Depreciation	16.26	13.47
Provision for taxation	470.00	—
Wealth Tax Paid	1.09	1.19
Deferred tax Liability	5.78	1.86
Investment Return Off	5.79	—
Excess Provision Premium On Duty Entitlement	1.19	—
Short Provision of Income Tax of earlier years	118.24	—
TDS W/off	1.27	—
Add: Excess Provision for FBT	—	0.03
Profit/ (Loss) after tax	1856.00	(41.83)
Profit/(Loss) brought forward from last year	(271.01)	(229.18)
Total:	1584.99	(271.01)
APPROPRIATIONS:		
Proposed Dividend	40.92	—
Tax on Dividend	6.64	—
Transfer to General Reserve	73.05	—
Balance carried to Balance Sheet	1464.38	(271.01)

2. OPERATIONS :

The turnover of the company during the year was Rs 395.24 Lacs in comparison of Rs 347.45 Lacs in the previous year.

The Company continues the trading of Mild Steel Window section 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 has entered into partnership with Aavkar group who are engaged in land development. The partnership has already acquired land and has commenced development of the said property. It is hopeful to complete the said project by the end of 2012.

The Company has promoted Light Works LLC in Mongolia for carrying on mining activities and has invested Rs.4.56 Crore in the said company upto the end of this year.



The Company has also entered into Partnership with Endor Properties LLP & Tesla Properties LLP in the current year. The said firms are engaged in Real Estate activities.

The management foresee enhancement in the turnover and profit on full operation of the activities.

The Company has also invested additional Rs 2 Crore in the capital of Partnership firm Aavkar Group upto the end of this financial year.

3. DIVIDEND :

The Board recommend 10% dividend on equity shares i.e. Re 1/- per share for the financial year ended 31-03-2011.

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 Link In Time India Private Limited as R & T agent in the FY 2010-11. Henceforth all the communication relating to Demat of shares/ Transfer of shares/ Change of address etc be send to. Number of Shares demated 25,51, 397 being 62.35% of paid of Capital.

Link In-Time India Private Limited

211, Sudarshan Complex, Near Mithakhali Under Bridge,
Mithakhali, Navrangpura, Ahmedabad- 380009

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, 2011 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 31st March, 2011 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 Anand V Shah, Shri Darshan A. Jhaveri and Shri Kanishka H. Kaji retire from the Board by rotation and being eligible offer themselves for reappointment.
Shri Rajiv D. Gandhi, due to his preoccupation, has resigned from the Board w.e.f. 14th April 2011
The Board appreciates the services and guidance given by him during his tenure as Director.
- 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. 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 2010-11 from M/s. D.N.Motwani & Co., Company Secretary 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.

Place : Ahmedabad

Date : 23-07-2011

For and On Behalf of the Board
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 activity.
- B. (1) Research and Development: Not Applicable
(2) Technology absorption: Not Applicable
- C. Foreign Exchange earning and outgo :
1. Activities relating the Export : Exporter of M.S. Window Door Sections
 2. Foreign Exchange earned Rs. 3,58,26,166/-
 Foreign Exchange used Rs. 40,500/-

For and On Behalf of the Board

Place: Ahmedabad
Date : 23-07-2011

ANAND V . SHAH & DARSHAN A. JHAVERI
MANAGING DIRECTORS



E-COMMUNICATION REGISTRATION FORM

To,
Link In-Time India Private Limited
211, Sudarshan Complex, Near Mithakhali under Bridge,
Mithakhali,
Navrangura,
Ahmedabad-380009
Phone no : 079-26465179

Green initiative in Corporate Governance

I/We here by exercise my/our option to receive all Communications from the Company such as Notice of General Meeting, Explanatory Statement, Audited Financial Statements, Balance Sheet, Profit & Loss Account, Directors Report, Auditors Report etc. in electronic mode pursuant to the 'Green Initiative in Corporate Governance' taken by Ministry of Corporate Affairs vide Circular No. 17/2011 dated 21st April, 2011. Please register my e-mail ID as given below, in your records, for sending the communications.

Folio No. / DP ID & Client ID No. : _____

Name of the 1st Registered Holder : _____

Name of Joint Holder(s), if any : _____

Registered Address of the Sole /
1st Registered Holder : _____

No. of shares held : _____

E-mail ID : _____

Date :

Signature : _____

Notes :

1. On registration, all communication will be sent to the e-mail ID registered.
2. The form is also available on the website of the Company www.steelcraft.co.in under section 'Shareholders information'.
3. Shareholders are requested to keep the Company's Registrar Link In-Time India Private limited as and when there is any change in the e-mail address.

**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, 2011 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 23.09.2010 to 29.09.2010 (both days inclusive) during the financial year.
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 8(3) of the SEBI Takeover Code.
11. The Company had constituted the Audit Committee as required under Section 292A of The Act.
12. Not declared any dividend since 2004
13. Made due disclosure required under the other applicable provisions of the Act.

Date: 23.07.2011
Place: Ahmedabad

For, D.N. Motwani & Company

Company Secretaries

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



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 Steel Craft 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 fulfil shareholder 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 Steel Craft 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 Steel Craft 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 2011 Ahmedabad Steel Craft Limited Board comprised of nine Directors. The Chairman is independent non-executive Directors.

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. 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 retires every year and is 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 8th May 2010, 28th July 2010, 23rd October 2010 and 22nd January 2011. 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 they are Chairman of more than five committees in which they are members. The composition of Board of Directors during the year 2010-2011 is given in Table 1.

Table 1: Composition of the Board of Directors

Name of Directors	Relationship with other directors	Category	No. of meetings held	No. of Meetings attendance	Whether Attendance Last AGM	No. of Directorship in other Companies	No. of Committee Member-Ship	No. of Chairman-ships of Committees
Ashok C. Gandhi	Independent	Chairman & Independent Director	4	4	Yes	6	9	1
Shri Anand V. Shah	Relative of Promoter	Managing Director	4	4	Yes	4	—	—
Shri Darshan A. Jhaveri	Relative of Promoter	Managing Director	4	4	Yes	2	—	—
Shri Shashank I. Shah	Relative of Promoter	Executive Director	4	4	Yes	3	—	—
Shri Anand N. Jhaveri	Relative of Promoter	Executive Director	4	3	Yes	—	—	—
Shri Girish D. Shah	Relative of Promoter	Executive Director	4	3	Yes	2	—	—
Shri Viral A. Jhaveri	Relative of Promoter	Executive Director	4	4	Yes	—	—	—
Shri Kanishka H. Kaji	Independent	Director	4	4	Yes	—	—	—
*Shri Rajiv D. Gandhi	Independent	Director	4	1	No	—	—	—

Notes:

*Ceased to be Director W.e.f. 14th April 2011

**Information Supplied to the Board**

The Board has complete access to all information of the Company. The following information are regularly provided to the Board as a part of the agenda papers well in advance of the Board meetings or is tabled in the course of the Board Meeting. Annual operating plans and budgets and any update thereof:

- Quarterly results for the Company.
- Minutes of the meetings of the Audit Committees and other Committees of the Board.
- Information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Financial Officer and Company Secretary.
- Materially important show cause, demand, prosecution notices and penalty notices.
- Detail of any joint venture or collaboration agreement.
- Foreign Exchange Management to limit the risks of adverse exchange rate movement, if material.
- Quarterly disclosure of all the investments made.
- Quarterly performance report on the ongoing projects.
- Non-compliance of any regulatory, statutory nature of listing requirements and shareholders service such as non-payment of dividend, delay in share transfer, etc.

The Board periodically reviews compliance reports of all laws applicable to the Company.

Remuneration to Directors

Non-executive Directors are paid the sitting fee, which has been approved by the Board.

As approved by the Board, the remuneration of Rs. 21,60,000, was paid to the Managing Directors & Executive Directors namely Shri Anand V. Shah (Managing Director) Shri Darshan A. Jhaveri (Managing Director), Shri Shashank I. Shah, Shri Anand N. Jhaveri, Shri Girish D. Shah and Shri Viral A. Jhaveri (Executive Directors).

All the Working Directors were paid remuneration of RS. 3.60 Lacs, each for the financial year 2010-11.

Table 2 A: Sitting Fee to Directors for 2010-11(Rs)

Name of Director	Category	Sitting Fees *	Commission
Shri Ashok C. Gandhi	Chairman & Independent Director	Rs.20,000	Nil
Shri Kanishka Kaji	Independent Director	Rs.20,000	Nil
Shri Rajiv D. Gandhi	Independent Director	Rs.5,000	Nil

There is no pecuniary relationship of transactions of the non-executive Director's vis-à-vis the Company except as mentioned above. The Company has not granted any stock option to any of its Directors.

During 2010-11, the Company did not advance any loans to any of its Directors.

**Code of Conduct**

Ahmedabad Steel Craft Limited's Board has laid down a code of conduct for all Board members and senior management of the Company. The code of conduct is available on the website of the Company www.steelcraft.co.in. All Board members and senior management personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Managing Directors to this effect is enclosed at the end of this report.

Risk Management

The Company has developed a very comprehensive risk management policy and the same is reviewed by the Audit Committee at periodical intervals, which in turn, informs the Board about the risk assessment and minimization procedures adopted by the management. Suggestions or guidance given by the audit committee members are immediately implemented. At the corporate level major risks are reviewed by the Managing Directors and directions in this regard are issued accordingly.

Committees of the Board

The Company has three Board level committees-Audits Committee, Remuneration Committee and Shareholders'/Grievance Committee.

All decisions pertaining to the constitution of committees, appointment of members and fixing of terms of service for committee members are taken by the Board of Directors. Detail on the role and composition of these committees, including the number of meeting held during the financial year and the related attendance, are provided below:

a) Audit Committee

As on 31 March 2011, the Audit Committee comprises four Directors, out of which two are independent directors.

Shri Kanishka Kaji Independent Director is the Chairman of the Committee.

The time gap between any two meetings was less than four months. The Committee met four times in the year under review on 8th May 2010, 28th July 2010, 23rd October 2010, and 22nd January 2011. The details of the Audit Committee are given in Table 3.

Table 3: Attendance record of Ahmedabad Steel Craft Limited Audit Committee Meetings

Name ofThe Member	Position	Status	No.Of MeetingHeld	No. of MeetingAttended	Sitting Res (Rs)
Shri Kanishka Kaji	Chairman	Independent	4	4	10,000
Shri Ashok C. Gandhi	Member	Independent	4	4	10,000
Shri Anand V. Shah	Member	Promoter	4	4	————
Shri Darshan A. Jhaveri	Member	Promoter	4	4	————



The functions of the Audit Committee of the Company include the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment re-appointment, if required the replacement or removal of the statutory auditor and fixation of the audit fees.
- Approval of payment to the statutory auditor for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statement before submission to the Board for approval, with particular references to :
 - Matters required to be included in the Directors Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
 - Changes, if any, in accounting policies and practices and reason for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustment made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
- Disclosure of any related party transactions.
- Qualification in the draft audit report.
- Reviewing with the management, performance of statutory and internal auditors, and adequacy of the internal control system.
- Reviewing the adequacy of internal audit plan.
- Discussion with internal auditors on any significant findings and follow up thereof.
- Reviewing the findings of any internal investigation by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payments to the depositors, shareholders (in case of non-payment of declared dividends) and creditors.
- Reviewing the functioning of the Whistle Blower Mechanism.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee is empowered, pursuant to its terms of references, to:

- Investigate any activity within its terms of reference and to seek any information it requires from any employee.
- Obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, when considered necessary.

The Company has systems and procedures in place to ensure that the Audit Committee mandatorily reviews:

- Management discussion and analysis of financial condition and results of operations.
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management.
- Management letters/letters of internal control weaknesses issued by the statutory auditors.
- Internal audit reports relating to internal control weaknesses.
- The appointment, removal and terms of remuneration of the internal auditor.

In addition, the Audit Committee of the Company also reviews the financial statements.

The Audit Committee is also apprised on information with regard to related party transactions by being presented:

- A statement in summary form of transactions with related parties in the ordinary course of business.
- Details of material individual transactions with related parties which are not in the normal course of business.
- Details of material individual transactions with related parties or others, which are not on an arm's length basis along with management's justification for the same.

**b.) Shareholders'/Investors' Grievance Committee**

The Shareholders / Investors Grievance Committee consist of two members. The Committee met twice in the year under review Shri Kanishka Kaji is the Chairman of the Committee and Shri Darshan A. Jhaveri the Managing Director is the member of the Committee. The primary function of the committee is to address investor complaints pertaining to transfer/transmission of shares, non-receipt of the dividend and any other related matters. The minutes of each of the committee meetings are reviewed by the Board. The matters, if any, requiring Boards attention are informed to the Board by the Committee Chairman.

Details of queries and grievances received and attended by the Company during the year 2010-11 are given in Table 4.

Table4: Investor of Complaints received and attended to during 2010-11

1. Opening	One
2. Received during the year	Six
3. Resolved/ Attended during the year	Seven
4. Complaint pending as at 31 st March, 2011	NIL

The Board of Directors has delegated the power of approving physical transfer and transmission of shares to the Managing Director.

Management**Management Discussion and analysis**

Annual Report has a detailed chapter on Management Discussion and Analysis.

Disclosures

Details of materially significant related party transactions i.e. transactions of the Company of a material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. are present under in note in schedule no. Q to Annual Accounts of the Annual Report.

Related Party Transactions

There have been no materially significant related party transactions with the Company's promoters, directors, management or their relative which have a potential conflict with the interests of the Company. Members may refer to disclosures of transaction with related parties i.e. Promoters, Directors, Relatives, Subsidiary or Management made in the Balance Sheet in Schedule No. Q "Notes to Accounts at Note No 15 in compliance of Clause 32 of the Listing Agreement and Accounting Standard 18.



Disclosure of Accounting Treatment in Preparation of Financial Statements

Ahmedabad Steel Craft Limited has followed the guidelines of Accounting standard referred to Section 211 (3C) of The Companies Act, 1956, including Accounting Standard (AS) -30 on financial instruments: Recognition and measurement and limited revision arising out of it in other Accounting Standard issued by 'The Institute of Chartered Accountant of India.

Details of Non-Compliance by the Company

Ahmedabad Steel Craft Limited has complied with all the requirements of Regulatory Authorities. No penalties /strictures were imposed on the Company by Stock Exchange or SEBI or any other Statutory Authority on any matter related to capital market during last three years.

Code for Prevention of Insider Trading Practices

In Compliance with the SEBI Regulation on prevention of Insider Trading, the Company has instituted a comprehensive Code of Conduct for its management and its staff. The Code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with the Shares of Company, and cautioning them of the consequences of violation.

Managing Director Certification

The Managing Directors Certification of the financial statements for the year is enclosed at the end of the report.

Directors

As per law, two third of the directors should retire by rotation. One third of these directors are required to retire every year and, if eligible, offer them for reappointment. Shri Kanishka Kaji, Shri Anand V. Shah and Shri Darshan A. Jhaveri who retire this year and, being eligible have offered themselves for reappointment. A brief profile of all of them is as follows: Shri Kanishka Kaji aged about 85 years and is senior advocate in High Court and experience of about 50 years in legal practice.

Shri Anand V. shah aged about 49 years is graduate in commerce with vast experience about 25 years in corporate and civil construction business.

Shri Darshan A. Jhaveri Aged about 46 years having experience about 22 years in finance and Corporates, Management.

Means of Communication with Shareholders

The Company published its quarterly, half yearly and yearly results in the form as prescribed under Clause 49 of the Listing Agreement within the prescribed time. The results were send to stock exchange where shares are listed and the same were published in the Western Times, Jansatta and Indian Express.

The financial results and official news released etc are also displayed on the website of the Company www.steelcraft.co.in. Annual Report containing inter-alia Audited Annual Accounts, Directors' Report, Auditors Report and other important and Statutory information are circulated to all members and to others entitled. The Management Discussion and Analysis Report along with the Managing Director Certificate forms part of the Annual Report.

Table 5 Details of the Announcement of the Financial Results for 2010-11 & 2011-12

Description of results	Date of Announcement
March Quarter 2010	08-05-2010
June Quarter 2010 & Annual Audited 31.03.2010	28-07-2010
September Quarter 2010	23-10-2010
December Quarter 2010	22-01-2011
March Quarter 2011	14-04-2011
June Quarter 2011	23-07-2011 (To be Announced)
September Quarter 2011	15-11-2011 (Probable Date of Announcement)
December quarter 2011	15-02-2012 (probable date of Announcement)
March quarter 2012	15-05-2012 (Probable date of Announcement)



In addition to this, if there is any other Announcement affecting the Shareholders/Public, it is duly informed to Stock Exchange and published in the news paper for the benefit of Shareholder and the public at large.

Annual General Meeting

Table 6 gives the details of the last three General Meeting.

Table 6: Annual General Meetings

Date	AGM	Location	Time
29-09-2010	38 th AGM	Gujarat Chamber of Commerce Ashram road, Ahmedabad	12.00 Noon
03-09-2009	37 th AGM	Gujarat Chamber of Commerce Ashram road, Ahmedabad	12.00 Noon
11-09-2008	36 th AGM	Gujarat Chamber of Commerce Ashram road, Ahmedabad	12.00 Noon

Postal Ballot

No Resolution was passed through postal ballot during the year 2010-11

Compliance**Mandatory requirements**

The Company is fully compliant with the applicable mandatory requirements of the revised Clause 49 of the Listing Agreement entered into with the Stock exchanges as well as regulation and guidelines of the Securities and Exchanges Board of India. Consequently no penalties were imposed or strictures passed against your Company by SEBI, Stock Exchange or any other statutory Authorities. The Company has complied with an adopted mandatory requirement of Corporate Governance Code. However it has not adopted the following non mandatory requirements of the code which the Board may consider, adopting in due course of time.

- 1) Maintenance of the Chairman's office and tenure of independent directors.
- 2) Communication of half-yearly results to each household of members- The Company publishes its results in leading newspapers and also posts the same on the Company's website.
- 3) Training of directors – All the directors have expertise in their areas of specialization.
- 4) Mechanism for evaluating Non-Executive Directors.

Adoption of Non- Mandatory Requirements**a.) Tenure of Independent Directors**

No specific tenure has been specified for the independent directors.

b.) Remuneration Committee

The sitting fee paid to the non-executive directors, commission to independent director, and remuneration paid to the whole-time director is approved by the remuneration committee. Remuneration Committee consists of Shri Ashok C. Gandhi and Shri Kanishka H. Kaji both Independent Directors. One meeting of remuneration committee was held on 8th May, 2010. Sitting fees of Rs. 1500 was paid to each member for attending the meeting.

Half-yearly Declaration

A half-yearly Declaration of financial performance including summary of significant events in the last six months is currently not being sent to each household of shareholders. However, the Company publishes its results in national and state level newspapers having wide circulation. The results are also posted on the website of the Company i.e. www.steelcraft.co.in

c.) Auditor's Qualifications

Management response on audit qualification, if any, is covered in Directors' Report.

**d.) Mechanism for evaluation of Non- Executive Directors**

The Company does not have a mechanism to review performance of non- executive directors.

e.) Secretarial Audit/Reconciliation of Share Capital Audit

Even though there is no mandatory requirements for Corporate Secretarial Audit/Reconciliation of share capital audit, the company carries out a Quarterly Secretarial Audit/ reconciliation of share capital with regard to share transfer and other compliances and presents it to the Board.

f.) Secretarial Standards

The Institute of Company Secretaries of India had brought out Secretarial standards called SS 1 to SS 10. The company is in compliant with these standards even as it is recommendatory in nature.

ADDITIONAL SHAREHOLDER INFORMATION**Annual General Meeting**

Date: 28-09-2011

Time: 12 Noon

Venue: Gujarat Chamber of Commerce & Industries Ashram Road, Ahmedabad- 380009

Financial Calendar

Financial year: 1st April, 2010 to 31st March, 2011

Book Closure

The dates of book closure are from 21-09-2011 to 28-09-2011 (Both Days Inclusive).

Dividend : Re 1/- per Equity Share of Rs. 10/- each i.e. 10%

Listing

At present, the equity shares of the company are listed on Bombay Stock Exchange Limited, Mumbai (BSE), the annual listing fees for the financial year 2011-12 to BSE has been paid.

Table 7: Ahmedabad Steelcraft Limited Stock Exchange Codes

Name of the stock exchange	Stock code	ISIN Code
Bombay Stock Exchange Limited, Mumbai	522273	INE868C01018

Stock Market Data**Table 8: High, Lows and Volumes of Company's Shares for 2010-11 at BSE**

	BSE		
	High	Low	Volume (No. Of Shares)
April 2010	27.65	20.20	8171
May 2010	26.20	21.45	1457
June 2010	24.50	18.10	6015
July 2010	24.05	17.00	17636
August 2010	20.50	18.10	6541
September 2010	20.40	16.25	12891
October 2010	22.85	17.30	29403
November 2010	37.85	22.05	86287
December 2010	29.60	23.35	27515
January 2011	29.50	22.70	19152
February 2011	29.20	19.15	5637
March 2011	19.00	16.60	15943

**Distribution of Share Holding**

Table 9 and 10 list the distribution of the shareholding of the equity shares of the Company by size and by ownership class as on 31 March 2011.

Table 9: Shareholding Pattern by Size on 31 March 2011

No. of equity shares	No. of shareholders	% of Shareholders	No. of shares held	% of share-holding
1-500	3678	92.54	4,58,959	11.22
501-1000	115	2.89	92,267	2.25
1001-2000	51	1.28	74,525	1.82
2001-3000	26	0.65	66,274	1.62
3001-4000	10	0.25	35,594	0.87
4001-5000	20	0.50	94,016	2.30
5001-10000	17	0.43	1,31,448	3.21
10000 & above	58	1.46	31,38,917	76.71
Total	3975	100.00	40,92,000	100.00

Table 10: Shareholding Pattern by Ownership as on 31 March 2011

Category	No. of Shares Held	% of Shares Holding
A Promoter's Holding		
1-Promoters	22,95,684	56.10
Sub-Total	22,95,684	56.10
B Non-Promoter Holding		
2 -Institutional Investor	1,00,000	2.44
“ “	9,200	0.23
Sub-Total	1,09,200	2.67
3- Others	16,87,116	41.23
Sub-Total	16,87,116	41.23
Total (1+2+3)	40,92,000	100.00

Dematerialization of Shares

The Shares of the Company are compulsory traded in dematerialized form only. The Company's Shares are available for trading in the depository of both NSDL and CDSL. As on 31st March 2011. 25, 51,397 Equity Shares forming 62.35% of the share capital of the Company stand dematerialized.

Outstanding GDRs/ADRs/Warrants/Options

The Company had not issued any GDRs/ADRs/Warrants/Options etc.

Details of Public Funding obtained in the last three years

No Public Funding has been obtained in the last three years.

**Registrar and transfer Agent****Address:**

Link-in Time India Private Limited
211, Sudarshan Complex, Nr. Mithakhali
Under Bridge, Mithakhali
Navrangpura, Ahmedabad-380 009

Share Transfer system

Shares lodged in physical form for transfer, are usually transferred within 21 days if the documents are clear in all respects. Shares under objection are in general returned within a week's time. For transfer of shares in physical form, the Board of Directors have authorized to the Share Transfer Committee to approve the transfer of shares and registration.

Request received for dematerialization of shares are processed and the confirmation are given by the Registrar and Transfer Agent the depositors within 21 days.

Bank Details

Share holders holding shares in physical form are requested to notify/send the following information to the Company/Registrar and Share Transfer Agent of the Company:

- 1) Any Change in the Address/ mandate/ bank details etc. and
- 2) Particulars of the Bank Account in which they wish their dividend to be credited, in case the same has not been furnished earlier and should include the following: particulars viz. Bank Name, Branch Name, Account Type, Account Number and MICR code (9 digit)

Permanent Account Number (PAN)

The Securities and Exchange Board of India (SEBI) has mandated the submission of PAN by every participant in securities market. Member holding shares in electronically form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details directly to the Company/Registrar and Share Transfer Agent.

Nomination Facility

Shareholders, holding shares in physical form and desirous of submitting/changing nomination in respect of their shareholding in the Company may submit Form 2B (in duplicate) as per the provisions of Section 109A of the Companies Act, 1956 to the Company/Registrar and Share Transfer Agent.

Company's Registered Office Address:

401, 637 Complex, Panchvati 2nd Lane, Gulbai Tekra,
Ambawadi, Ahmedabad-380 006.

Auditors Certificate on Corporate Governance:

As required by clause 49 of the Listing Agreement. The Auditors Certificate is given as an Annexure to the Director Report.

Place : Ahmedabad

Date : 23-07-2011

For and on behalf of the Board

ANAND V . SHAH & DARSHAN A. JHAVERI
MANAGING DIRECTORS



Certification by Managing Directors of the Company

We, Anand V Shah & Darshan A Jhaveri, Managing Directors of AHMEDABAD STEELCRAFT LIMITED, to the best of our knowledge and belief, certify that:

1. We have reviewed the balance sheet and profit and loss account for the financial year ended 31.03.2011, and all its schedules etc., and confirm that:
 - a) Based on our knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact or contain statements that might be misleading.
 - b) Based on our knowledge and information, the financial statements, present in all material respects, a true and fair view of, the Company's code of conduct.
2. To the best of our knowledge and belief, no transactions entered into by the Company during the period are fraudulent, illegal or violative of the Company's code of conduct.
3. We are responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company, and we have:
 - a) Designed such controls and procedures to ensure that material information relating to the Company is made known to us;
 - b) Designed such internal control over financial reporting to provide reasonable assurance regarding the reliability of financial statements in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the Company's disclosure, controls and procedures; and
4. We confirm that
 - a) There are no deficiencies in the design or operation of internal controls, which could materially adversely affect the Company's ability to record, process, summarize and report financial data.
 - b) There are no significant changes in internal controls during the period;
 - c) All significant changes in accounting policies during the year have been disclosed in the notes to the financial statements; and
 - d) There are no instances of significant fraud of which we are aware, that involves management or other employees who have a significant role in the Company's internal controls system.
5. We affirm that we have not denied any personnel, access to the audit committee of the Company (in respect of matters involving alleged misconduct) and we have provided protection to whistle blowers' from unfair termination and other unfair or prejudice employment practices.

Date: 23.07.2011
Place: Ahmedabad

For and on behalf of the Board

ANAND V. SHAH & DARSHAN A. JHAVERI
MANAGING DIRECTORS

**AUDITORS' REPORT ON CORPORATE GOVERNANCE**

To,
The Members,
AHMEDABAD STEELCRAFT LTD.

We have examined the compliance of conditions of Corporate Governance by **AHMEDABAD STEELCRAFT LTD.**, for the year ended on 31st March, 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to the procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, subject to following :

1. As per Clause 49 of the Listing Agreement Two-thirds of the members of audit committee shall be independent directors. However, the audit committee of the company consists of four members out of which only two members are independent directors. Therefore, the requirement of proportion of independent directors in Audit Committee is not maintained by the company.
2. As the Chairman of the company is a Non-Executive independent Director, as per the requirements of Clause 49 of the Listing Agreement, atleast $1/3^{\text{rd}}$ of the Board should have comprised of independent directors. During the period from 01.04.2010 to 31.03.2011, there have been three Independent Directors. Therefore, the Requirement of proportion of independent Directors in the Board has been observed during the aforesaid period. However, one of the independent director Shri Rajiv D. Gandhi has resigned w.e.f. 14.04.2011.
3. As on date, no investor's complaint has remained pending for a period of more than fortnight. Therefore, as per the requirements of Clause 49 of the Listing Agreement, Corporate Governance of attending to the investors grievances within a fortnight has been adhered to in respect of investor's complaint.

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For, DHIREN SHAH & CO.,
CHARTERED ACCOUNTANTS,
Firm Reg. No. 114633W

Place : Ahmedabad
Date : 23-07-2011

(DHIREN SHAH)
PROPRIETOR Mem. No. 035824



AUDITOR'S REPORT

To,
The Members of
AHMEDABAD STEELCRAFT LIMITED

1. We have audited the attached Balance Sheet of AHMEDABAD STEELCRAFT LIMITED as at March 31, 2011 and also the Profit and Loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that :
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - iii) The Balance Sheet, Profit and Loss account and Cash flow statement dealt with by this report are in agreement with the books of account.
 - iv) In our opinion, the Profit and Loss account and Balance Sheet comply with the Accounting Standards referred to in Subsection (3C) of Section 211 of the Companies Act, 1956
 - v) On the basis of the written representations received from the directors as on March 31, 2011 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section(1) of section 274 of the Companies Act, 1956.
 - vi) In our opinion the said accounts to the best of our information and according to the explanations given to us give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;



AHMEDABAD STEELCRAFT LIMITED

- b) in the case of the Profit and Loss account, of the Profit for the year ended on that date; and
c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

PLACE : Ahmedabad
DATED : 23-07-2011

For, DHIREN SHAH & Co.,
Chartered Accountants,
Firm Reg. No. 114633W
(DHIREN SHAH)
PROPRIETOR
M.No. 35824

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE
Ref: Ahmedabad Steelcraft Limited

- 1) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) All the assets have been physically verified by the management during the year as per the regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
(c) During the year the Company has disposed off its land in full. According to the information and explanations given to us, the said disposal plan is consistent with the Company's long term strategy to focus in its current business of Trading & Export of Steel Mild Section and for investment in partnerships for real estate ventures/projects. The Company has also disposed off old & obsolete fixed assets as per the above long term strategy. Therefore in the present situation the Company's going concern status has not been affected.
- 2) (a) The management has conducted physical verification of inventory at reasonable intervals.
(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification by the management.
- 3) (a) The Company has granted unsecured loan to one company covered in the register maintained u/s.301 of the Act and maximum amount involved in the transactions is Rs. 2,13,53,950/-.
(b) The rate of interest and other terms and condition of the loan granted are Prima facie not prejudicial to the interest of the Company.
(c) There is no stipulation regarding repayment of principal amount which is outstanding at the year end of Rs.1,94,94,190/-.
(d) There is no stipulation regarding repayment of outstanding loan. Hence, we are unable to give any comment that whether the same is over due or not.
(e) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained u/s. 301 of the Companies Act, 1956 during the year. Accordingly, clauses (iii)(f) and (iii)(g) of paragraph 4 of the Order are not applicable to the Company for the current year.



- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, with regard to purchases of inventory, fixed assets and with regard to sale of goods, and services. During the course of our audit, no major weakness has been noticed in internal control system.
- 5) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that there are no contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956. Accordingly, clause (v) (b) of Paragraph 4 of the Order is not applicable to the company for the current year.
- 6) The Company has not accepted any deposit during the year in contravention of provisions of section 58A of the Companies Act, 1956 and Companies (Acceptance of Deposit) Rule 1975.
- 7) The internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the management have been commensurate with the size of the company and nature of its business.
- 8) We are informed that the Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for any products of the company.
- 9) (a) According to the records of the Company, the Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Custom Duty, Excise Duty, Service tax, Cess and other material statutory dues applicable to it with the appropriate authorities except in depositing Income tax deducted at Source in respect of payment to Contractors.
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income-tax, Wealth tax, Sales tax, Service tax, Customs duty and Excise Duty, Cess were outstanding as at 31st March, 2011 for a period of more than six months from the date they became payable.
- 10) In our opinion, the Company has no accumulated losses. During the financial year covered by our audit, Company has not incurred cash losses. In the immediately preceding financial year, there were cash losses.
- 11) Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions, banks, or debenture holders.
- 12) In our opinion and according to the information and explanations given to us, no loans or advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
- 13) In our opinion the Company is not a chit fund or a nidhi/mutual benefit funds/society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
- 14) In our opinion, the Company is not dealing in shares, securities, debentures and other investments. Accordingly, the provision of clause 4(xiv) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
- 15) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by its subsidiaries and associates from bank or financial institutions.
- 16) The Company did not have any term loan outstanding during the current financial year or in the immediately preceding financial year.



AHMEDABAD STEELCRAFT LIMITED

- 17) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long term investment.
- 18) During the year, the Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- 19) The Company did not have any outstanding debentures during the year.
- 20) The Company has not raised any money through a public issue during the year.
- 21) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit that causes the financial statements to be materially misstated.

For, DHIREN SHAH & Co.,
Chartered Accountants,
Firm Reg. No. 114633W

PLACE : Ahmedabad
DATED : 23-07-2011

(DHIREN SHAH)
PROPRIETOR
Membership No. 35824

**AHMEDABAD STEELCRAFT LIMITED****BALANCE SHEET AS AT 31ST MARCH 2011**

Particulars	Schedule No.	As At 31.03.2011 Rs.	As At 31.03.2010 Rs.
I. SOURCES OF FUNDS :			
(1) Shareholder's Funds			
(a) Share Capital	A	40,920,000	40,920,000
(b) Reserves & Surplus	B	184,060,994	43,351,905
(2) Loan Funds :			
(a) Secured Loans		0	0
(b) Unsecured Loans		0	0
Deffered Tax Lia bility		1,567,459	989,711
		<u>226,548,453</u>	<u>85,261,616</u>
II. APPLICATION OF FUNDS :			
(1) Fixed Assets :	C		
(a) Gross Block		29,759,180	28,071,760
(b) Less: Depreciation		3,418,118	2,009,560
(c) Net Block		<u>26,341,062</u>	<u>26,062,200</u>
(2) Investments :	D	96,373,541	44,817,463
(3) Current Assets, Loans & Advances :	E		
(a) Inventories		0	10,200,000
(b) Sundry Debtors		0	0
(c) Cash & Bank Balance		56,483,919	24,358,726
(d) Loans & Advacnes		<u>107,315,514</u>	<u>80,647,103</u>
		163,799,433	115,205,829
Less : Current Liabilities & Provisions :	F		
(a) Current Liabilities		1,141,745	105,947,841
(b) Provisions		<u>58,823,838</u>	<u>21,976,981</u>
		59,965,583	127,924,822
Net Current Assets		103,833,850	(12,718,993)
Profit & Loss Account		0	27,100,946
		<u>226,548,453</u>	<u>85,261,616</u>
Notes on Accounts	Q		
Accounting Policies	R		

AS PER OUR REPORT OF EVEN DATE
ATTACHED HEREWITH
FOR DHIREN SHAH & CO.
CHARTERED ACCOUNTANTS
Firm Regd. No. 114633W
(DHIREN SHAH)
PROPRIETOR
PLACE : AHMEDAAD
DATE : 23-07-2011

FOR AHMEDABAD STEELCRAFT LTD .
ASHOK C. GANDHI
CHAIRMAN
ANAND V. SHAH
DARSHAN A. JHAVERI
MANAGING DIRECTORS
PLACE : AHMEDAAD
DATE : 23-07-2011

SHASHANK I. SHAH
ANAND N . JHAVERI
GIRISHBHAI D. SHAH
VIRAL A. JHAVERI
EXECUTIVE DIRECTORS
KANISHKA H. KAJI
DIRECTOR



SCHEDULE - C FIXED ASSETS SCHEDULE FORMING PART OF ACCOUNTS AS ON 31ST MARCH 2011

Sr. No.	Particulars	-----Gross Block-----				-----Depreciation-----				----Net Block----	
		% of Dep.	Cost as on . 01-04-2010	Cost Addition during the Year	Sales during the Year	Cost as on 31-03-2011	up to 31-03-2010	for to year	on sale adjustment	Total	31-03-2011
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	LAND	-	13,617,600	0	13,617,600	0	0	0	0	0	13,617,600
2	OFFICE 637	1.63	0	12,324,940	0	12,324,940	0	125,492	0	125,492	12,199,448
3	MOTOR CARS	9.5	14,234,466		300,000	13,934,466	1,920,892	1,352,040	189,740	3,083,192	10,851,274
4	AIR CONDITIONERS	4.75	34,789	811,000	34,789	811,000	9,822	24,882	10,641	24,063	786,937
5	DEAD STOCK	6.33	38,685	0	19,369	19,316	27,580	1,831	13,571	15,840	3,476
6	FURNITURE	6.33	0	2,207,451	0	2,207,451	0	87,284	0	87,284	2,120,167
7	OFFICE EQUIPMENTS	4.75	76,220	190,322	10,700	255,842	20,025	9,012	3,166	25,871	229,971
8	COMPUTERS	16.21	70,000	136,165	0	206,165	31,241	25,135	0	56,376	149,789
	CURRENT YEAR TOTAL		28,071,760	15,669,878	13,982,458	29,759,180	2,009,560	1,625,676	217,118	3,418,118	26,341,062
	PREVIOUS YEAR TOTAL		27,637,294	434,466	0	28,071,760	662,908	1,346,652	0	2,009,560	26,062,200
											26,974,386

Notes : 1) Depreciation on all Fixed assets is provided on Straight Line Method on the Gross Block of Fixed assets at the rates prescribed under schedule XIV of Companies Act, 1956.
 2) On additions Pro-rata Depreciation has been provided.



15) Related Party Disclosures :

Sr. No.	Name of Related Parties	Nature of Relation	Nature of Transaction with related parties	Volume of Transaction		Balance at the end of the Year	
				2010-11	2009-10	2010-11	2009-10
1	M/s.J & S Trading Co.	Associated Concern	Payment of Service charges Reimbursement of Telephone Exp. Reimbursement of Electricity Exp.	1,39,500 4,244 13,890	2,79,000 12,782 29,928	—	2,42,274 Cr.
2	M/s. Steel Distributors	Associated Concern	Payment of Service charges Reimbursement of Telephone Exp. Reimbursement of Electricity Exp.	97,200 1,888 21,822	1,94,400 5,854 37,454	—	2,84,708 Cr.
3	Gujarat Bright Bar Ind. Pvt. Ltd.	Associated Concern		—	—	—	8,09,880 Cr.
4	Anandbhai V. Shah	Managing Director	Remuneration	3,60,000	1,80,000	—	—
5	Darshanbhai A. Jhaveri	Managing Director	Remuneration	3,60,000	1,80,000	—	—
6	Anandbhai N. Jhaveri	Executive Director	Remuneration	3,60,000	1,80,000	—	—
7	Shashankbhai I. Shah	Executive Director	Remuneration	3,60,000	1,80,000	—	—
8	Girishbhai D. Shah	Executive Director	Remuneration	3,60,000	1,80,000	—	—
9	Viralbhai A. Jhaveri	Executive Director	Remuneration	3,60,000	1,80,000	—	—
10	637 Developers	Director's as Partner	Office Booking	—	108,49,587	76,776 Dr	1,18,49,587 Dr
11	Lightworks LLC	Associate Company	Investment in Equity Capital * Investment in Preference Share Capital * Loan Given Loan Repayment	— — 3,53,850 17,03,424	— — 8,44,794 —	22,32,500 Dr 195,34,375 Dr 194,94,190 Dr —	22,46,000 Dr 1,96,52,500 Dr 210,00,100 Dr —
12	Avkar Realty	Associate Concern	46% holding in the firm / Profit share received	41,750	1,46,361	2,38,111 Dr	1,93,96,361 Dr

* Note : The Difference between balance as on 31.03.2010 & 31.03.2011 is on account of Foreign Exchange rate difference between two dates.



AHMEDABAD STEELCRAFT LIMITED

AHMEDABAD STEELCRAFT LIMITED

Regd. office : 401, 4th Floor, 637 Complex, Panchvati 2nd Lane, Gulbai Tekra, Ahmedabad - 380006

PROXY FROM

I/WE.....
of..... being a Member/Members of AHMEDABAD STEELCRAFT LIMITED here appoint shri/smt. of.....
of..... as my/our proxy to attend and vote for me/us and on my/our, behalf at the 39th Annual General Meeting of the Company to be held in the premises of Gujarat Chamber of Commerce and Industry, Ashram road, Ahmedabad on 28th day of September, 2011 at 12.00 Noon, and at any adjournment thereof.

Signed this.....day of.....2011

Affix
One Rupee
Revenue
Stamp

Registered Folio No.....

DPID No.

Signature (s) of Member (s)

Note : This instrument of Proxy, after being duly filled in, must be deposited at Registered Office of the Company not later than 48 hours before the time for holding the meeting.

----- Tear Here -----

AHMEDABAD STEELCRAFT LIMITED

Regd. office : 401, 4th Floor, 637 Complex, Panchvati 2nd Lane, Gulbai Tekra, Ahmedabad - 380006

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. ONLY MEMBERS OR THEIR PROXIES ARE ENTITLED TO BE PRESENT AT THE MEETING.

Full name of the Shareholder or Proxy : _____
(BLOCK LETTERS)

No. of Shares held : _____

I hereby record my presence at the 39th Annual General Meeting of the Company in the Premises of Gujarat Chamber of Commerce and Industry, Ashram Road ,Ahmedabad on 28th day of September, 2011 at 12:00 Noon.

Registered Folio No. _____

DPID No. _____

Signature of the Shareholder/Proxy



BOOK-POST

TO

If Undelivered Please return to :
AHMEDABAD STEELCRAFT LIMITED
401, 4th Floor, 637 Complex, Panchvati 2nd Lane,
Gulbai Tekra, Ahmedabad - 380006



COMPLIANCE CERTIFICATE FOR THE FINANCIAL YEAR ENDED
31-03-2011

To,
The Members,
AHMEDABAD STEELCRAFT LIMITED
AHMEDABAD.

We have examined the registers, records, books and papers of AHMEDABAD STEEL CRAFT 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 of the Company for the financial year ended on 31st March, 2011. In our opinion and to the best of our information and according to our examination carried out by us 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 Act and rules made there under and all entries therein have been duly recorded.
02. The Company has duly filed the forms and returns as per Act 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 08.05.2010, 28.07.2010, 23.10.2010 and 22.01.2011 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, 2010 was held on 29th September, 2010 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 certificate and complied with the provisions of the Act
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) was not required to deposit amount in a separate bank account as no dividend was declared during the financial year.
 - (iii) not posted dividend warrants as no dividend was declared during the financial year.
 - (iv) has deposited unpaid 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 approvals 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 made loans and investments, or given guarantees or provided securities to bodies corporate and has complied with provisions of the Act.
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**

**Date: 23/07/2011
Place: Ahmedabad**

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

Certificate of Company with the Code of Conduct Policy

A 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 2011.

For and On Behalf of the Board

**ANAND V . SHAH & DARSHAN A. JHAVERI
MANAGING DIRECTORS**

**Date: 23.07.2011
Place: Ahmedabad**



AHMEDABAD STEELCRAFT LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH 2011.

PAR TICULARS	SCHEDULE NO.	CURRENT YEAR RS.	PERVIOUS YEAR RS.
I. INCOME :			
Sales & Export Incentives	G	39,523,598	34,744,724
Other Income	H	8,808,881	2,025,407
Increase (+)/Decrease (-) in stocks. (Finished Goods),	I	(-) 10,200,000	(+) 10,200,000
Total :		<u>38,132,479</u>	<u>46,970,131</u>
II. EXPENDITURE :			
Raw Material Consumption		0	0
Purchase		21,125,600	37,105,200
Payments to & Provision for Employees.	J	1,373,535	1,345,771
Selling & Distribution Expenses	K	5,104,812	5,682,717
Administrative Expenses	L	2,890,434	2,405,465
Financial Expenses	M	118,779	347,428
Directors' Remuneration and Perquisites.	N	2,738,002	1,443,904
Auditor's Remuneration		71,695	71,695
General Expenses	O	808,430	1,101,967
Depreciation		1,625,676	1,346,652
		<u>35,856,963</u>	<u>50,850,799</u>
III PROFIT/LOSS :			
Profit/(Loss)		2,275,516	(3,880,668)
Add:Profit On Sale of Fixed Asset (Land)	P	243,716,553	0
Add:Profit / (Loss) On Sale of Fixed Asset		(55,240)	0
Profit/(Loss) Before Tax		245,936,829	(3,880,668)
Add:Excess Provision of Expenses		0	3,217
Less : Investment W/off (Refer Notes on Account No. 5)		579,000	0
Less : Excess Provision Premium on Duty Entitlement		119,250	0
Less : Provision for Taxation		47,000,000	0
Less : Short Provision of Income Tax of Earlier years		11,823,816	0
Less : Wealthtax Paid		109,217	119,408
Less : TDS W/off		127,561	0
Less : Deferred Tax Liability		577,748	186,251
Profit/(Loss) Afte Tax		185,600,237	(4,183,110)
Balance b/f from last year		(27,100,946)	(22,917,836)
Balance available for Appropriation		<u>158,499,291</u>	<u>(27,100,946)</u>
IV. APPROPRIATION :			
Proposed Dividend		4,092,000	0
Tax on Dividend		663,825	0
Transfer to General Reserve		7,305,411	0
Balance Carried to Balance Sheet		<u>146,438,055</u>	<u>(27,100,946)</u>
		<u>158,499,291</u>	<u>(27,100,946)</u>
Notes on Accounts	Q		
Accounting Policies	R		

AS PER OUR REPORT OF EVEN DATE ATTACHED HEREWITH FOR DHIREN SHAH & CO. CHARTERED ACCOUNTANTS Firm Regd. No. 114633W (DHIREN SHAH) PROPRIETOR PLACE : AHMEDAAD DATE : 23-07-2011

FOR AHMEDABAD STEELCRAFT LTD . ASHOK C. GANDHI CHAIRMAN ANAND V. SHAH DARSHAN A. JHAVERI MANAGING DIRECTORS PLACE : AHMEDAAD DATE : 23-07-2011

SHASHANK I. SHAH ANAND N. JHAVERI GIRISHBHAI D. SHAH VIRAL A. JHAVERI EXECUTIVE DIRECTORS KANISHKA H. KAJI DIRECTOR

**AHMEDABAD STEELCRAFT LIMITED****SCHEDULE FORMING PART OF ACCOUNTS AS ON 31ST MARCH 2011.**

	AS AT 31-3-2011 Rs.	AS AT 31-3-2010 Rs.
SCHEDULE -A SHARE CAPITAL		
AUTHORISED		
50,00,000 Equity Shares of Rs. 10/- each	50,000,000	50,000,000
	<u>50,000,000</u>	<u>50,000,000</u>
Issued Subscribed and Paid-up		
40,92,000 Equity shares (P.Y. 40,92,000) of Rs. 10/- each fully paid-up [of the above shares 18,00,000 Equity shares were issued and allotted as fully paid up Bonus shares through Capitalisation of General Reserve in earlier years]	40,920,000	40,920,000
	<u>40,920,000</u>	<u>40,920,000</u>
SCHEDULE-B RESERVES & SURPLUS		
(A) Assets Revaluation Reserve		
Opening Balance	12,746,416	12,746,416
Less : Adjustment	12,746,416	0
	<u>0</u>	<u>12,746,416</u>
(B) Share Premium Account		
Opening Balance	<u>21,920,000</u>	<u>21,920,000</u>
	21,920,000	21,920,000
(C) General Reserve		
Opening Balance	12,694,589	12,694,589
Add: Additional during the year	<u>7,305,411</u>	<u>0</u>
	20,000,000	12,694,589
(D) Profit & Loss Account		
Opening Balance	0	0
Add: Additional during the year	146,438,055	0
	<u>146,438,055</u>	<u>0</u>
(E) Foreign Currency Translation Reserve		
Opening Balance	(4,009,100)	0
Add: Additional during the year	<u>(287,961)</u>	<u>(4,009,100)</u>
	(4,297,061)	(4,009,100)
	<u>184,060,994</u>	<u>43,351,905</u>



AHMEDABAD STEELCRAFT LIMITED

SCHEDULE FORMING PART OF ACCOUNTS AS ON 31ST MARCH 2011.

		As At 31-3-2011	As At 31-3-2010
		Rs.	Rs.
SCHEDULE-D INVESTMENTS			
(A)	Long Term Investments :		
	Trade (Unquoted) (At Cost)		
		No of	
		Shares/Units	
	Namtech Systems Ltd.	10,000	0
	Nutan Nagrik Bank Ltd.	0	0
	637 Shops & Office Co. Op. Soc. Ltd.	25	250
	Trade (Quoted) (At Cost)		
	Thambbi Modern Spg. Mills Ltd.	800	40,000
	VLS Finance Ltd.	3,000	200,000
	Selan Explorataion Tech. Ltd.	5,500	92,305
	Nila Housing & Infrastructures Ltd	22,000	36,000
	Galaxy Appliances Ltd.(Hindustan Cr. Cap. Ltd.)	290	0
	Uco Bank Ltd.	0	0
(B)	Current Investments :		
	(Unquoted) (At Cost)		
	Reliance Money Manager Fund - Retail Option	0	0
(C)	Investment in the Capital of Partnership Firm		
	Aavkar Realty	238,111	19,396,361
	Aavkar Projects	20,000,000	0
	Endor Properties LLP	14,000,000	0
	Tesla Properties LLP	40,000,000	0
(D)	Investment in Associate Company		
	Common Share (Lightworks LLC - Mongolia)	50,347	2,232,500
	Preferance Share (Lightworks LLC - Mongolia)	437,500	19,534,375
		96,373,541	44,817,463

Aggregate amount of Quoted
Investment Book of Value Rs. 3,68,305/-
Market value Rs. 19,44,682/-
Aggregate amount of unquoted
Investment Rs.250/-



AHMEDABAD STEELCRAFT LIMITED

SCHEDULE FORMING PART OF ACCOUNTS AS ON 31ST MARCH 2011.

	As At 31-3-2011 Rs.	As At 31-3-2010 Rs.
SCHEDULE 'E' CURRENT ASSETS, LOANS & ADVANCES :		
(A) INVENTORIES (as Taken Valued and Certified by the Management)		
Finished Good (At cost or market value whichever is lower)	0	10,200,000
	0	10,200,000
(B) SUNDRY DEBTORS :		
Unsecured		
Outstanding for more than six months (considered doubtful)	0	0
Outstanding for less than six months (considered good)	0	0
	0	0
(C) CASH & BANK BALANCE :		
(i) Cash On Hand	68,692	28,575
(ii) Bank Balance		
Fixed Deposits with		
HDFC Bank Ltd.	40,000,000	13,000,000
Current Account		
Schedule Bank	210,556	87,340
HDFC Bank Ltd.	1,255,155	11,223,879
HDFC Bank Ltd. EEF A/c.	14,930,335	0
Group Gratuity Account		
Schedule Bank	19,181	18,432
Post Office	0	500
	56,483,919	24,358,726
(D) LOANS & ADVANCES		
(Unsecured considered good)		
(a) Loans to Companies/Firms (Out of Total Loans Doubtful is Rs. 30,94,992/-)	24,553,731	3,094,992
(b) Loan to Associate Company - Light works LLC - Mongolia	19,494,190	21,000,100
(c) Advances-recoverable in cash or in kind or for value to be received	10,387,815	15,306,575
(d) Booking Deposit for Property	262,000	12,111,587
(e) Advance Income Tax	52,588,680	28,978,899
(f) Deposits	29,098	154,950
	107,315,514	80,647,103



AHMEDABAD STEELCRAFT LIMITED

SCHEDULE FORMING PART OF ACCOUNTS AS ON 31ST MARCH 2011.

	As At 31-3-2011 Rs.	As At 31-3-2010 Rs.
SCHEDULE-F CURRENT LIABILITIES & PROVISIONS		
(A) CURRENT LIABILITIES :		
(i) Advance against Land	0	104,340,000
(ii) Creditors for Expenses	99,908	1,527,875
(iii) Advance from Customers	1,021,148	21,148
(iv) Statutory Liabilities	20,689	58,818
	1,141,745	105,947,841
(B) PROVISION :		
Proposed Dividend	4,092,000	0
Provision for Dividend Tax	663,825	0
Provision for Taxation (Earlier Years)	0	14,919,004
Provision for Taxation (A.Y. 2011-12)	47,000,000	6,500,000
Provision for Taxation (A.Y. 2009-10)	6,500,000	0
Provision for FBT	309,000	309,000
Unpaid Exgratia	40,000	55,000
Unpaid Expenses	219,013	193,977
	58,823,838	21,976,981
SCHEDULE - G SALES & EXPORT INCENTIVES		
	Current year Rs.	Previous year Rs.
Sales	38,117,473	32,960,642
Premium on Duty Entitlements	1,406,125	1,755,000
Foreign Exchange Rate Different	0	29,082
	39,523,598	34,744,724
SCHEDULE-H OTHER INCOME		
Share of Profit from Partnership Firm	41,750	146,361
Profit on Sale of Shares	587,580	0
<u>Interest Received from</u>		
Fixed Deposit	3,365,062	642,984
Loan	2,873,111	844,794
Sales Tax Refund	611,655	225,065
<u>Dividend From</u>		
Equity Share	6,852	5,490
Mutual Fund	4,551	160,713
Sales Tax Refund	108,994	0
W/off (Debit & Credit)	609,326	0
Other Income	600,000	0
	8,808,881	2,025,407

**AHMEDABAD STEELCRAFT LIMITED****SCHEDULE FORMING PART OF ACCOUNTS AS ON 31ST MARCH 2011.**

	Current Year Rs.	Previous Year Rs.
SCHEDULE-I INCREASE (+) / DECREASE (-) IN STOCK :		
Opening Stock :		
Finished Goods	10,200,000	0
	10,200,000	0
Less: Closing Stock		
Finished Goods	0	10,200,000
	(-) 10,200,000	(+) 10,200,000
SCHEDULE-J PAYMENT TO AND PROVISION FOR EMPLOYEES :		
Payment to Employees :		
Office Salary	1,014,000	864,000
Misc Labour Salary	286,983	379,719
Exgratia & Bonus	72,552	102,052
	1,373,535	1,345,771
SCHEDULE-K SELLING & DISTRIBUTION EXPENSES :		
Carting Expenses	16,150	12,890
Commission	501,786	804,612
Crane Mobile Expenses	0	29,150
Excise Expenses	0	633,033
Misc. Shipping	1,405,725	1,175,137
Transportation	173,350	263,081
Packing Materials & Charges	114,018	188,448
Shipping Agency	67,712	58,713
Shipping Freight	2,826,071	2,517,653
	5,104,812	5,682,717

**AHMEDABAD STEELCRAFT LIMITED****SCHEDULE FORMING PART OF ACCOUNTS AS ON 31ST MARCH 2011.**

	Current Year Rs.	Previous Year Rs.
SCHEDULE-L ADMINISTRATIVE EXPENSES :		
Advertisement	166,275	129,900
Appeal Fees	11,000	1,250
Conveyance Expenses	117,258	81,640
Court Fees / Stamps	31,150	0
Director Travelling	0	13,069
Electricity Expenses	110,609	89,325
Insurance	33,864	12,941
Municipal Tax	97,452	0
Office Maintenance Charges	131,616	0
Office Misc. Purchase	57,156	0
Office Rent	7,878	9,166
Postage	50,583	64,910
Professional Fees	276,540	374,150
Security Transaction Tax	1,838	0
Staff Travelling	0	24,290
Staff Foreign Travelling	90,582	0
Stationery & Printing	99,986	68,697
Subscription	21,742	60,846
Telephone	62,838	78,672
Internet (Office)	28,668	13,953
Telephones & Internet (Director)	127,960	137,672
Vehicle Repairs & Maintenance (Car Expenses)	1,365,439	1,243,467
W/off A/c (Debit & Credit)	0	1,517
	2,890,434	2,405,465
SCHEDULE-M FINANCIAL EXPENSES :		
Bank Commission	70,453	326,439
<u>Interest Paid to</u>		
Bank	46,386	20,953
Others	1,940	36
	118,779	347,428
SCHEDULE-N DIRECTIORS' REMUNERATION & PERQUISITES :		
Remuneration	2,160,000	1,080,000
Director PF Contribution	240,002	143,904
Superannuation	270,000	135,000
Director Meeting Fees	68,000	85,000
	2,738,002	1,443,904

**AHMEDABAD STEELCRAFT LIMITED****SCHEDULE FORMING PART OF ACCOUNTS AS ON 31ST MARCH 2011.**

	Current Year Rs.	Previous Year Rs.
SCHEDULE-O GENERAL EXPENSES :		
Air Conditioner Repairs	3100	0
Application Fees	2,081	2,072
Betterment Tax	0	88,660
Boni	6,150	13,753
Donation	0	35,000
Computer Software	21,050	0
Filing fees	2,924	3,240
Godown Rent	180,000	120,000
Inspection Fees	111,525	145,706
Foreign Exchange Rate Diff	3,260	0
Kasar	(31)	0
Land Rent	0	4,080
Listing Fees	11,030	11,130
Membership	23,971	0
Misc Expenses	103,692	92,725
Professional Tax	4,400	4,400
Repairs & Maintenance	20,687	13,099
Sales Tax Expenses	0	7,615
Service Charges	250,382	493,250
Service Tax	4,568	5,416
Tea Expenses	58,341	58,971
Testing Fees	1,300	2,850
	808,430	1,101,967
SCHEDULE-P PROFIT ON SALE OF LAND		
Sale Value	244,726,900	0
Less : Land Cost	871,184	0
Expenses	139,163	0
	243,716,553	0

**SCHEDULE FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2011.****SCHEDULE-Q : NOTES ON ACCOUNTS :-**

1. Previous year's figures have been regrouped/rearranged wherever necessary to make them comparable with current year figures.
2. Figures have been rounded off to the nearest Rupee for the purpose of presentation.
3. Debtors and Creditors balances appearing in the balance sheet are subject to confirmation of respective parties.
4. The parties to whom loans & advances amounting Rs.30,94,992/- (P.Y. Rs.30,94,992/-) have been given have defaulted in payment of interest. However the management is hopeful of recovery of principal amount only.
5. There is a permanent diminution in the value of unquoted shares of Namtech Systems Ltd of Rs.5,50,000/- and in the value of quoted shares of Galaxy Appliances Ltd (Hindustan Credit Capital Ltd) of Rs.29,000/- totaling to Rs.5,79,000/- which has been provided in the books of account.
6. Managerial Remuneration:

Details of payment of Remuneration to Managerial personnel in accordance with Schedule XIII of the Companies Act, 1956 included in the Profit & Loss account, are as under.

	As on 31-03-2011	As on 31-03-2010
Remuneration	21,60,000	10,80,000
Contribution to Provident Fund	2,40,002	1,43,904
Contribution to Other Fund	2,70,000	1,35,000
Total	26,70,002	13,58,904

7. There are no outstanding creditors of S.S.I. Units for more than 30 days at the balance sheet date. There is no purchase from small scale industries.
8. The Company has contributed Rs.4,00,00,000/- towards capital in Tesla Properties LLP which has been shown as "Investment in the Capital of Partnership Firm" in Schedule – D "Investments". The Company has joined as partner in Tesla Properties LLP with effect from 25.06.2011.
9. The Company has made investments in the capital of Partnership Firm as Partner.

Name ofPartership Firm	Profit/Loss Ratio
Aavkar Realty	46.00 % .
Aavkar Projects	11.10 %
Endor Properties LLP	6.22 %
Tesla Properties LLP	11.72 %

**AHMEDABAD STEELCRAFT LIMITED**

10. During the year 347 no of Common shares of Lightworks LLC – Mongolia, have been received in pursuance of merger of Mongolian Company – Lightworks LLC and other Mongolian Company – Altomine LLC.

11. Notes Relating to Investment in Lightworks LLC.

The Company has made 50% investment in Common Shares and Preference share of Lightworks LLC, Company has also given loan to Lightworks LLC. Company has received interest on loan given to Lightworks LLC and accounted it in books of account as per accounting policies and requirement of accounting standard. Company has made total investment of 924,100 US\$ the details of which are as under.

Common shares	50%	50,000 \$
Preference Shares	50%	437,500 \$
Loan Given	50%	436,600 \$

		924,100 \$

12. Amount paid or payable to Auditors :-

	As at 31-03-11	As at 31-03-10
	-----	-----
i) Audit fees	55,150	55,150
ii) Tax Audit Fees	16,545	16,545
iii) Taxation	33,090	33,090
	-----	-----
	1,04,785	1,04,785
	=====	=====

13. Information as per part IV of Schedule VI to the Companies Act, 1956.

1) Registration No. 11500 State Code 04
Balance Sheet Date : 31/03/2011

2) Capital raised during the year (Amount in Rupees thousand)
Public issue Rs. Nil Right issue Rs. Nil
Bonus issue Rs. Nil Private placement Rs. Nil

3) Position of Mobilisation and Deployment of funds
(Amount in Rupees thousand)

Total liabilities	226548	Total Assets	226548
<u>Source of funds</u>			
Paid up capital	40920	Reserves & Surplus	184061
Secured Loan	--	Unsecured Loan	--
		Deferred Tax Liability	1567
<u>Application of funds:</u>			
Net fixed Assets	26341	Investment	96373
Net Current Assets	103834	Misc. Expenditure	Nil
Accumulated Losses	--		

**AHMEDABAD STEELCRAFT LIMITED**

4)	Performance of Company	(Amount in Rs. thousand)			
	Total Income	38131	Total Expenditure	35856	
	Profit/(Loss) on Sale of Fixed Assets	243662			
	Profit/(Loss) before tax	245937	Profit/(Loss) after tax	185600	
	Dividend rate	10%			

5)	Generic names of three principal products/service of Company	(as per monetary terms)		
	Item Code No. (ITC Code)	72.16		
	Product description	Mild Steel Door, Windows and Ventilator Sections.		

6) Quantitative details of Goods Traded**(a) Purchase, Sales, Opening and Closing Stock:**

I) PURCHASE	As At 31.03.2011		As At 31.03.2010	
	Qty/MT	Amount Rs.	Qty/MT	Amount Rs.
Finished Goods	642	2,11,25,600	1,138	3,71,05,200

ii) SALES	As At 31.03.2011		As At 31.03.2010	
	Qty/MT	Amount Rs.	Qty/MT	Amount Rs.
Finished Goods	942	3,81,17,473	838	3,29,60,642

ii) OPENING & CLOSING STOCK

Opening Stock	300	1,02,00,000	—	---
Closing Stock	—	—	300	1,02,00,000

(b) Imported and indigenous Goods

	As At 31.03.2011			As At 31.03.2010		
	%	Qty/MT	Amount Rs.	%	Qty/MT	Amount Rs.
A) PURCHASE:						
i) Imported	--	--	--	--	--	--
ii) Indigenous	100	642	2,11,25,600	100	1138	3,71,05,200

B) OTHER GOODS & SPARE PARTS

i) Imported	--	--	--	--	--	--
ii) Indigenous	--	--	--	--	--	--

**AHMEDABAD STEELCRAFT LIMITED****(c) Value of Imports, Expenditure and earning in foreign currency:**

	As At 31-03-11	As At 31-03-10
	Rs.	Rs.
	-----	-----
i) CIF value of Imports	Nil	Nil
ii) Spare parts and components	Nil	Nil
iii) Earning in Foreign Currency		
FOB Value of Export	3,47,70,665	3,01,44,992
Interest Income Received from Lightworks LLC	10,55,501	5,58,699
iv) Expenditure in foreign Currency	40,500	--

14. Earning per share (EPS), the numerators and denominators used to calculate Basic & Diluted earnings per share.

Particulars	31/03/2011	31/03/2010
Profit/(Loss) attributable to the Shareholders (Rs.in Lacs)	A 1856.00	(41.83)
Basic/Weighted average number Of Equity Shares outstanding During the year.	B 40,92,000	40,92,000
Nominal Value of Equity Share (Rs.)	10/-	10/-
Basic/Diluted Earning per share (Rs.)	45.36	(1.02)



SCHEDULE FORMING PART OF ACCOUNTS AS ON 31ST MARCH 2011.

SCHEDULE - R : SIGNIFICANT ACCOUNTING POLICIES :

1. SYSTEM OF ACCOUNTING :-

a) The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956, as adopted consistently by the company, except for certain fixed assets which have been revalued.

b) The Company generally follows mercantile system of accounting and recognises significant items of income and expenditure on accrual basis.

c) Benefit on account of entitlements to import duty free material under the "Duty Entitlement Passbook" scheme & other Export Incentives are accounted for on Cash basis which was hitherto accounted for on accrual basis.

2. FIXED ASSETS :

Fixed Assets are stated at cost inclusive of incidental and/or installation expenses. They are stated at revalued amount being fair market value on the basis of valuation made by approved valuer. Surplus on account of revaluation is credited to the revaluation reserve account.

3. DEPRECIATION :

Depreciation on the assets has been provided on straight line method at the rates prescribed under Schedule XIV to the Companies Act, 1956.

4. INVENTORIES :

There is no inventories of raw materials, goods in transit, consumable stores, furnace oil and lubricants. Inventories of Finished Goods is valued at cost or market value whichever is lower. There is no closing stock of Finished Goods as at 31.03.2011.

5. INVESTMENTS :

Valuation of long term quoted investment are stated at cost less provision, if any, for permanent diminution in value. Unquoted long term investment are valued at cost. Current Investment are valued at cost as per consistent practice of the Company.

6. FOREIGN EXCHANGE TRANSACTION:

a) Foreign Exchange transactions are converted into Indian Rupees at the rate of exchange prevailing on the date of transaction. Exchange rate difference is charged to Profit & Loss A/c on final payment of the liability. Unsettled transaction at the close of the year are considered taking into account the exchange rate prevailing at the year end and difference is charged to Profit & Loss Account.

b) Variation due to fluctuation in exchange rate as on the date of Balance Sheet, the increase / decrease is accounted in respect of Investment and Advance to foreign company is accounted for in the Foreign Currency Translation Reserve.



AHMEDABAD STEELCRAFT LIMITED

7. EMPLOYEE BENEFITS :

Gratuity paid to employee retrenched charged to Profit & Loss Account. Other payment made to employee on retrenchment of employees charged to Profit & Loss Account on payment basis.

8. TAXATION :

Deffered tax liability of Rs.5,77,748/- has been created as per Accounting Standard 22 "Accounting of Tax on Income" issued by ICAI on timing difference as follow..

Depreciation Provided	Rs.16,25,676
Depreciation allowable as per I.T. Act.	Rs. 33,64,966
Timing Difference	<u>Rs. 17,39,290</u>

SIGNATURE TO SCHEDULE 'A' TO 'R'

FOR DHIREN SHAH & CO.
CHARTERED ACCOUNTANT
FIRM REGN NO. 114633W

(DHIREN SHAH)
PROPRIETOR
M. NO. 35824
PLACE : AHMEDABAD
DATE : 23-07-2011

FOR AHMEDABAD STEELCRAFT LTD .

ASHOK C. GANDHI
CHAIRMAN

ANAND V. SHAH
DARSHAN A. JHAVERI
MANAGING DIRECTORS

SHASHANK I. SHAH
ANAND N . JHAVERI
GIRISH D. SHAH
VIRAL A. JHAVERI
EXECUTIVE DIRECTORS

KANISHKA H. KAJI
DIRECTOR

PLACE : AHMEDABAD
DATE : 23-07-2011

**AHMEDABAD STEELCRAFT LIMITED****CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2011**

	31-03-11	Rs. in Lakhs 31-03-10
Net Profit as per P & L Account Before Tax	22.76	(39.97)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Adjustment for Depreciation	16.26	13.47
Interest paid	0.48	-
Transfer from Revaluation Reserves -on sale of Land	(127.46)	-
Trf. to Foreign Currency transactions	(2.88)	-
Interest Received FDR	(62.38)	(8.45)
Dividend Received Equity	(0.07)	-
Dividend Received Mutual Fund	(0.05)	(1.66)
Profit/(Loss) on Sale of Shares	(5.88)	-
Share of Profit from Partnership firm	(0.42)	(1.46)
Balance W/back (Net)	(6.09)	-
Foreign Exchange Rate Diff.	(0.03)	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(165.76)	(38.07)
Increase in Current Liability & Provision	-	548.46
Decrease in Debtors	-	0.86
Decrease in Inventory	102.00	-
Current liabilities provisions liquidated	(727.15)	-
Increase in Loans & Advances	(266.69)	(341.00)
Increase in Inventory	0.00	(102.00)
CASH (USED)/GENERATED IN OPERATION	(1057.60)	68.25
Direct Tax Paid (Including Dividend Tax)	(437.76)	-
NET CASH (USED)/GENERATED IN OPERATION (A)	(1495.36)	68.25
B. CASH FLOW FROM INVESTING ACTIVITIES		
Cash Flow from Investments	515.56	-
Sale of Fixed Assets	1395.35	-
Interest received	62.37	-
Dividend received	0.11	1.66
Share of profit from Partnership firm	0.42	1.46
Purchase of Fixed Assets	(156.70)	(4.34)
Investment in Partnership Firm	-	(83.46)
Purchase of Mutual Fund	-	(0.03)
Purchase of Investment in Wholly Owned Subsidiaries	-	(259.07)
NET CASH (USED)/GENERATED IN INVESTING ACTIVITIES (B)	1817.11	(343.78)

**AHMEDABAD STEELCRAFT LIMITED****C.CASH FLOW FROM FINANCING ACTIVITIES**

Increase / Decrease in Unsecured Loan	-	-
Increase / (Decrease) in Secured Loan	-	-
Interest Paid	(0.48)	-
Interest received	-	8.45
NET CASH (USED)/GENERATED IN FINANCING ACTIVITIES ©	(0.48)	8.45
Net Increase / (Decrease) in Cash and Equivalent (A+B+C)	321.27	(267.08)
OP. BALANCE OF CASH AND CASH EQUIVALENT	243.59	510.67
CL. BALANCE OF CASH AND CASH EQUIVALENT	564.86	243.59

FOR AHMEDABAD STEELCRAFT LTD .

ASHOK C. GANDHI
CHAIRMANANAND V. SHAH
DARSHAN A. JHAVERI
MANAGING DIRECTORSSHASHANK I. SHAH
ANAND N. JHAVERI
GIRISH D. SHAH
VIRAL A. JHAVERI
EXECUTIVE DIRECTORS

KANISHKA H. KAJI

DIRECTOR

PLACE : AHMEDABAD
DATE : 23-07-2011**AUDITOR'S CERTIFICATE**

We have examined the attached Cash Flow Statement of Ahmedabad Steelcraft Limited, for the year ended 31st March, 2011. The Statement has been prepared by the company in accordance with the requirement of Clause 32 of listing Agreements with the Stock Exchange and is based on and is in agreement with the corresponding Profit & Loss A/c. and Balance Sheet of the Company covered by our Report of even date to the members of the company.

FOR DHIREN SHAH & CO,
CHARTERED ACCOUNTANTS.
Firm Regn. No. 114633WPlace : Ahmedabad
Date : 23-07-2011(DHIREN SHAH)
PROPRIETOR
Mem. No. 35824