



R. J. SHAH & COMPANY LIMITED

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41ST ANNUAL REPORT

1998-99

R.J.Shah & Company Limited

BOARD OF DIRECTORS

Ms KALINDI R. SHAH CHAIRPERSON & MANAGING DIRECTOR

Ms.TEJASWINI R.SHAH JOINT MANAGING DIRECTOR

DR.M.N.PATEL

MR. S.P. MASAND

MRS. SWATI AGARWAL

MR.R.A.RAICHUR

AUDITORS

Maganlal & Company

Chartered Accountants

BANKERS

BANK OF MAHARASHTRA

UNION BANK OF INDIA

STATE BANK OF INDIA

SOLICITORS & ADVOCATES

BHAISHANKER KANGA AND GIRDHARLAL

KIRIT N. DAMANIA & CO.

REGISTERED OFFICE

**Mahul Road, Antop Hill,
MUMBAI-400 037.**

N O T I C E

NOTICE is hereby given that the 41st ANNUAL GENERAL MEETING of the members of R. J. SHAH & COMPANY LIMITED will be held on Thursday, the 30th September, 1999 at 4.00 P.M. at the Registered Office of the Company at Mahul Road, Antop Hill, Mumbai 400037 to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 1999 together with the Profit and Loss Account for the year ended on that date and report of the Directors and Auditors thereon.
2. To declare Dividend.
3. To appoint a Director in place of Ms. Swati Agarwal, who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint auditors for the current year and fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modifications, The following resolution as an ordinary resolution :

"RESOLVED THAT Shri. Raghavendra A. Raichur appointed as an additional Director under Section 260 of the Companies Act, 1956 be and is hereby appointed a Director of the Company, liable to retire by rotation."

6. To consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary resolution:

"RESOLVED THAT pursuant to the provision of Sections 269, 309 and all other applicable provisions of the Companies Act, 1956, the Company hereby appoints Miss. Kalindi R. Shah as the Managing Director of the Company for a further period of 5 years with effect from 1st of January 2000 at the remuneration and on the terms and conditions as set out in the Draft Agreement submitted to this meeting and initialed by Director of the Meeting for the purpose of identification, with liberty and powers to the Board of Directors to alter and vary the terms and conditions as they may deem fit and as may be acceptable to Miss. Kalindi R. Shah."

"RESOLVED FURTHER THAT in case of loss or inadequacy of profit in any financial year the said remuneration inclusive of perquisites and amenities shall be paid or given to Miss. Kalindi R. Shah as minimum remuneration, subject to the approval of the Central Government if required."

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and sub proxy need not be a member of the Company.

2. The Dividend when declared will be payable on or before 10th November, 1999 to those shareholders whose names appear on the Register of Members as on 30th September, 1999.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday the 21st September, 1999 to Thursday the 30th September, 1999 (both days inclusive).
4. The Company has transferred unpaid dividend for the year ended 31st March, 1995 to General Revenue Account of Central Government.
5. Unpaid Dividend payable to the Shareholders in respect of the 38th dividend for the year ended 31st March, 1996 onwards shall be transferred to the concerned authorities under the amended provision of the Companies Act, 1956 on the expiry of the 7th year from the date of declaration of such dividend. No claim will lie from a member once the transfer is made to the said concerned authorities. Members who have not encashed their dividend warrants are requested to encash the same before the said transfer in their own interest.
6. Members are requested to notify immediately any change in their address to the Company.

MUMBAI

DATED: 31st May, 1999.

By Order of the Board

K.R. SHAH

REGISTERED OFFICE

Mahul Road, Antop Hill,
Mumbai 400 037.

Chairperson & Managing Director

ANNEXURE TO THE NOTICE

Explanatory Statements as required Under Section 173 of the Companies Act, 1956.

ITEM NO.5

The Board of directors has appointed Shri. Raghavendra A. Raichur as an additional Director of the Company with effect from 31st May, 1999. Shri. Raghavendra A. Raichur holds office upto the date of ensuing Annual General Meeting. The Company has received a notice under Section 257 of the Companies Act, 1956 from a Shareholder - signifying his intention to propose the name of Shri. Raghavendra A. Raichur as a candidate for the office of a Director of the Company to be appointed at this Annual General Meeting. Except Shri. Raghavendra A. Raichur no other Director is concerned or interested in the said Resolution.

ITEM NO.6

Miss. Kalindi R. Shah was redesignated as Managing Director of the Company for a period of 3 years with effect from 11-06-1992 upto 31-12-1994 in terms of the Resolution passed by the Shareholders at their

meeting held on 31-01-1990.

She was re - appointed as Managing Director for a further period of 5 years upto 31- 12 - 1999 by the Shareholders at their meeting held on 30 - 09 - 1994.

Miss. Kalindi R. Shah has made valuable contribution to the progress and the development of the Company since last 26 years. The Board of Directors is of the opinion that she should be re-appointed for a further period of 5 years and the remuneration payable to her should be suitably revised.

The remuneration payable to Miss. Kalindi R. Shah and the main terms and conditions of her appointment as contained in the draft Agreement referred to in the Resolution are as under:-

1. The Managing Director shall serve the Company as Managing Director for a period of 5 years from 1st January 2000 to 31st December 2004 subject to the employment being previously determined in terms of her appointment.
2. The Managing Director shall exercise and perform her functions, with such powers and duties as may be entrusted to her and, subject to superintendence, control and direction of the Board of Directors, she will have the management of the whole or substantially the whole of the affairs of the Company.
3. During her employment, under this Agreement, the Managing Director shall devote full time and attention to the business of the Company as may be necessary or required and shall use her best endeavors to promote its interest and welfare.
4. Remuneration
In consideration of the performance of her duties, the Company shall pay to the Managing Director during the continuance of this Agreement, the following remuneration and perquisites.
 - (i) Salary :
Rs. 40, 000/- per month with such increments as may be decided by the Board of Directors from time to time.
 - (ii) Perquisites:
 - (a) Housing:
 - i) Fully furnished rent free residential accomodation.
 - ii) Expenditure incurred by the Company on providing gas, electricity, water and other utilities.
 - iii) Furniture and Furnishings as may be required by the Managing Director.
 - (b) Medical :
Reimbursement of actual expenses incurred by the Managing Director for herself and her family including hospitalization, nursing home and surgical charges incurred in India and/or abroad.
 - (c) Leave Travel Concessions :

Actual air fare for the Managing Director and her family once in a year.

Explanation :

For the purpose of (b) and (c) above family means the spouse, dependent children and dependant parents of the Managing Director.

- (d) Club Fees :
Reimbursement of Membership fee for clubs in India.
- (e) Personal Accident Insurance :
Appropriate Insurance covering the Managing Director against accidental risks.
- (f) Leave :
Leave with full pay or encashment thereof as per rules of the Company.
- (g) Conveyance :
Provision of the Company cars fully maintained by the Company.
- (h) Telephone and other communication facilities :
The Company shall provide telephones and other communication facilities at the residence of Managing Director.
- (i) Entertainment :
The Managing Director will be entitled to claim reimbursements of entertainment expenses actually incurred in the course of business of the company.
- (j) Contribution to Provident Fund, Superannuation or Annuity Fund :
Company's contribution to the Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- (k) Gratuity :
Gratuity at the rate of one month salary for each completed year of service (service of over 6 months will be treated as "a year") on the last drawn salary.
- (l) Post-Retirement medical benefit :
Membership of Post-Retirement medical benefit plan of Unit Trust of India under the Senior Citizen's Unit Plan (SCUP) or such other scheme as may be found expedient by the Board of Directors of the Company.
- (m) Housing Loan / Assistance :
Housing Loan and/or Company's guarantee towards the Housing loan for such amount and on such terms including subsidy on account of interest and/or other charges as may be decided by the Board of Directors.

Explanation :

Perquisites shall be evaluated as per Income Tax Rules, 1962 wherever applicable and in its absence at actual cost.

In case of loss or inadequacy of profits the aforesaid remuneration (including expressly the perquisites and amenities, shall be paid to the Managing Director as minimum remuneration) subject to the approval of the Central Government, if required.

The Managing Director will not be paid any sitting fees for attending the meetings of the Board of Directors or any Committee thereof.

Notwithstanding anything contained in this agreement, either party shall be entitled to determine this agreement by giving 180 days notice in writing in that behalf to the other party, and on the expiry of the period of such notice, this agreement shall stand terminated.

The draft agreement to be executed by the Company and the Managing Director is available for inspection by the Members of the Company on any working day (Monday to Friday) between 2.00 p.m. and 5.00 p.m. at the Registered office of the Company at Mahul Road, Antop Hill, Mumbai - 400 037.

Except Miss.K.R.Shah and Miss.T.R.Shah, no other Director of the Company is concerned with or interested in the said Resolution.

The Board of Directors recommends acceptance of the Resolution set out at Item No. 6 of the Notice.

This explanatory statement may be treated as an abstract under Section 302 of the Companies Act, 1956.

MUMBAI

DATED: 31st May, 1999.

By Order of the Board

K.R. SHAH

Chairperson & Managing Director

REGISTERED OFFICE

Mahul Road, Antop Hill,
Mumbai 400 037.

DIRECTORS' REPORT**1 9 9 8 - 9 9**

To
The Members
R.J.Shah & Co.Ltd.

Your Directors have pleasure in submitting 41st Annual Report alongwith the Audited Balance Sheet and Profit and Loss Account for the year ended 31st March, 1999.

1. FINANCIAL RESULTS

	Current Year Rs.	Previous Year Rs.
Profit before depreciation and provision for taxation	50,21,612	44,59,547
Less: Depreciation	21,23,166	23,23,879
	-----	-----
	28,98,446	21,35,668
Provision for Taxation	8,50,000	8,40,000
	-----	-----
	20,48,446	12,95,668
 Add: Investment Allowance		
Reserve no longer required	9,68,980	4,43,340
Balance Profit brought fwd from previous year	17,78,115	7,01,272
	-----	-----
Amount available for appropriation	47,95,541	24,40,280
	-----	-----
Less: Appropriations:		
Income Tax of earlier years	1,84,411	---
Proposed Dividend	2,80,100	4,20,150
Tax on proposed dividend	30,811	42,015
Transfer to General Reserve	15,00,000	2,00,000
Balance carried to Balance Sheet	28,00,219	17,78,115
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	47,95,541	24,40,280
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2. DIVIDEND

Your Directors are pleased to recommend payment of Dividend @10% (Previous Year 15%) for the year ended 31st March, 1999.

3. REVIEW OF OPERATIONS

During the year under review your Company has secured further contracts for construction of Tail Race Tunnel, Lower Intake Structure, Tail Surge well and Ventilation Tunnel for Ghatghar Pumped Hydro Electric Project, Irrigation Dept, Govt. Of Maharashtra totalling to Rs.1507.44 lacs. Further works have also been secured for Tunnels for

Manchanble Right Bank Canal and Menchanble Left Bank Canal near Ramnagar, Irrigation Dept, Govt Of Karnataka valued at Rs.313.19 lacs. For the completed works of Bhandardara Hydro Electric Project P.H.II the trial run for commissioning has been successfully taken. For Kakkad Hydro Electric Project, the same is awaiting trial and commissioning.

4. INSURANCE

All the fixed assets of the Company have been adequately insured.

5. SUBSIDIARY

As required by the provisions of Section 212 of the Companies Act, 1956 the Balance Sheet and the Profit & Loss Account for the year ended 31st March, 1999 and the Report of the Directors and Auditors thereon of subsidiary Company, Rajendra Shipping Ltd., are annexed to this Report.

6. DIRECTORS

During the year, the Board of Directors placed on record their sense of sorrow due to sad and untimely demise of Shri. P.S.Masand on 19th January 1999.

Under Article no. 45(d) of the Articles of Association, Mrs.Swati Agarwal retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Mr. Raghavendra A. Raichur was appointed as Additional Director of the Company with effect from 31st May, 1999 to hold office upto the date of the ensuing Annual General Meeting.

The Company has received notice from member under section 257 of the Companies Act, 1956 signifying their intention to propose the candidature of Mr. Raghavendra A. Raichur as Director of the Company. Further your Directors have pleasure in recommending the appointment of Mr. Raghavendra A. Raichur as Director of the Company.

7. PARTICULARS OF EMPLOYEES

Information as per Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 is not applicable since none of the employees are drawing more than Rs.50,000/- per month or Rs.6,00,000/- per annum.

8. AUDITOR'S REPORT

Regarding the Auditor's Report Paragraph 2 the Company has secured expert legal advice on the subject and accordingly the Company is satisfied and considers this as a good debt. Regarding other comments in the Auditor's Report, the relevant notes in the accounts are self explanatory.

9. APPOINTMENT OF AUDITORS

M/s. Maganlal & Company, the Auditors of the Company are due to retire at this Annual General Meeting and are eligible for re-appointment.

10. STATUS ON Y2K COMPLIANCE

All the Hardware and software applications have been made Y2K compliant. The Company has sufficient internal resources to address any system disruption due to Y2K issues.

11. LISTING

The Shares of the Company continue to be listed on The Stock Exchange, Mumbai and the Company has paid the necessary listing fee for the financial year 1999 - 2000.

12. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

The information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo is given in Annexure I forming part of this report as required under Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988.

13. APPRECIATION

The Directors wish to record their sincere appreciation for the co-operation and guidance offered to the Company by the concerned contracting authorities and their officers for the execution of the works. The Directors also wish to place on record their sincere appreciation for the devoted and efficient services rendered by all employees of the Company.

By Order of the Board
K.R.SHAH

Chairperson & Managing Director

MUMBAI

DATED: 31st May 1999.

ANNEXURE-I

INFORMATION AS PER SECTION 217(1)(e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 1999.

1. CONSERVATION OF ENERGY :

A) Energy conservation measures taken :

The Company started manufacturing of pure water w.e.f. November 1993 and the source of energy required is of the electric supply from B.E.S.T. undertaking. The consumption of electricity is less as the process of manufacture of pure water adopted is through ion exchange than through reverse osmosis which would have consumed more energy. The usual level switches have been provided to minimise energy consumption and avoid any damage to the plant. The entire supply of electricity to the plant is through one distribution board for