



R. J. SHAH & COMPANY LIMITED



45 TH ANNUAL REPORT

2002 - 2003

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

Union Bank of India

State Bank of India

H.D.F.C.Bank

SOLICITORS & ADVOCATES

KIRIT N. DAMANIA & CO.

REGISTERED OFFICE:

Mahul Road, Antop Hill,
Mumbai – 400 037

NOTICE

NOTICE is hereby given that the **45th ANNUAL GENERAL MEETING** of the Members of **R. J. SHAH & COMPANY LIMITED** will be held on **Tuesday, the 30th September, 2003** at **4.00 P.M.** at the Registered Office of the Company at **Mahul Road, Antop Hill, Mumbai 400 037** to transact the following

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March , 2003 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 Mrs. 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 modification, the following resolution as a Special Resolution:

"RESOLVED THAT PURSUANT to Section 198 / 309 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and subject to necessary approvals required if any, the Company doth hereby approve of and consent to the payment and distribution thereof of a sum equivalent to one percent of the net profits of the Company computed in accordance with the provisions of Section 198 of the Companies Act, 1956, each to the Managing Director and Joint Managing Director of the Company, as decided by the Board of Directors and such payments shall be made in respect of the profits of the Company for the year ended March 31, 2003."

6. To consider and if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:-

"RESOLVED THAT pursuant to Section 198 / 309 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof for the time being in force) and subject to necessary approvals required if any, the Company doth hereby approve of and consent to the payment and distribution thereof of a sum of 0.5 percent of the net profits of the Company computed in accordance with the provisions of Section 198 of the Companies Act, 1956, to all the Non-Executive Directors of the Company, as decided by the Board of Directors and such payments shall be made in respect of the profits of the Company for the year ended March 31, 2003."

NOTES:

A Member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself / herself and such proxy need not be a member of the Company.

The Dividend when declared will be payable on or before 29th October, 2003 to those shareholders whose names appear on the Register of Members as on 30th September, 2003.

The Register of Members and share Transfer Books of the Company will remain closed from Friday, the 19th September, 2003 to Tuesday, the 30th September, 2003 (both days inclusive).

The Company has transferred unpaid dividend for the year ended 31st March, 1995 to the Investor Education & Protection Fund as per Rules of Central Government.

The explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business of Item Nos. 5 & 6 is annexed hereto.

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 Investor Education and Protection Fund under the amendment provision of the Companies Act, 1956 on the expiry of the 7th year from the date of such transfer to unpaid dividend account and hence unpaid dividend for the year 1995-96 declared on 27th September, 1996 will be transferred to the said Account of Central Government on or before 7-11-2003. No claim will lie from a member once the transfer is made to the said Account. Members who have not encashed their dividend warrants are requested to encash the same before the said transfer in their own interest.

Members are requested to notify immediately any change in their address to the Company.

MUMBAI
DATED : 30th June 2003.
REGISTERED OFFICE
Mahul Road , Antop Hill,
Mumbai - 400 037.

By Order of the Board
K.R.SHAH
Chairperson & Managing Director

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956, ANNEXED TO AND FORMING PART OF THE NOTICE.

ITEM No.5

Section 198 / 309 of the Companies Act, 1956 permits payment of remuneration to the Directors including Managing Director and Whole time Director, by way of commission on the net profit of the Company for a financial year computed in the manner referred to in Section 198 of the Act. In case of the Company having a Managing Director or Whole time Director, the commission amount shall not exceed 10% of the net profit of the Company. In view of the increased activities of the Company, the responsibilities shouldered by them have also widened. Therefore, it is proposed to pay commission to the Managing Director and Joint Managing Director of the Company @1% each of net profits of the Company for the year ended March 31, 2003, forming part of total remuneration under section 198 / 309 or Schedule XIII of the Companies Act, 1956. Approval of the members of the Company is sought by way of Special Resolution proposed under this item.

The Managing Director and the Joint Managing Director of the Company who are entitled to the Commission, are interested in the proposed resolution to the extent of their entitlement as commission. None of the other Directors of the Company are in any way, concerned or interested in the said resolution.

Your Directors recommend the aforesaid resolution for your approval.

ITEM No.6

Section 198 / 309 of the Companies Act, 1956 permits payment of Commission to the Directors who are not in the whole time employment of the Company upto a maximum of one percent of the net profit of the Company which has a Managing Director or whole time Director to be computed in the manner referred to in Section 198 of the Act. The Company feels that with the increasing responsibilities in the ever changing business scenario, it is felt that the Non-Executive Directors also be suitably compensated for their contribution from time to time. Therefore, the Company

desires to pay an amount of Rs.1,00,000/- to be distributed equally among the four Non-Executive Directors being 0.5% of the net profit of the Company.

The Non-Executive Directors of the Company shall be deemed to be concerned or interested in the Resolution pertaining to their payment.

Your Directors recommend the aforesaid resolution for your approval.

MUMBAI
DATED : 30th June, 2003.
REGISTERED OFFICE
Mahul Road, Antop Hill
MUMBAI – 400 -037

By Order of the Board
K.R.SHAH
Chairperson & Managing Director

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DIRECTORS' REPORT

2002 – 2003

To,

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

The Directors have pleasure in submitting their 45th ANNUAL REPORT alongwith the Audited Balance Sheet and Profit & Loss Account for the year ended 31st March, 2003.

1 FINANCIAL RESULTS

	Current Year Rs.	Previous Year Rs.
Profit before depreciation and provision for taxation	2,06,60,267	1,89,58,490
Less: Depreciation	20,63,420	19,75,223
	<u>1,85,96,847</u>	<u>1,69,83,267</u>
Provision for Taxation	67,40,192	60,17,675
	<u>1,18,56,655</u>	<u>1,09,65,592</u>
Add: Excess provision of Income Tax written back	-	9,813
Balance Profit brought forward from previous year	56.66,408	53,91,253
	<u>1,75,23,063</u>	<u>1,63,66,658</u>
Amount available for Appropriation.		
Less: Appropriations:		
Proposed Dividend	7,00,250	7,00,250
Tax on proposed Dividend	89,720	Nil
Transfer to General Reserve	1,00,00,000	1,00,00,000
Balance carried to Balance Sheet	67,33,093	56,66,408
	<u>1,75,23,063</u>	<u>1,63,66,658</u>

2. DIVIDEND

Your Directors are pleased to recommend payment of Dividend @ 25% (Previous year 25%) for the year ended 31st March, 2003.

3. REVIEW OF OPERATIONS

During the year under review the progress of works in hand for Ghatghar site for T.R.T., Tail Surge Well and Lower Intake Structure has been as per the requirement of the Clients. Contract has been revised with extra items of work being executed with extension of time till June 2004. Further works are being tendered and other jobs are being investigated for the Company.

Due to stringent financial conditions and heavy recession faced by the various Government Departments and Semi-Government Departments the new development work has come to stand still. Competition has increased tremendously for securing new jobs at very competitive rates. However, Management is pursuing to secure jobs in the Hydro Power Sector for the upcoming new projects in India..