



ENGINEERS
&
CONTRACTORS

R. J. SHAH & COMPANY LIMITED

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46TH ANNUAL REPORT

2003-2004

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

N O T I C E

NOTICE is hereby given that the **46th ANNUAL GENERAL MEETING** of the members of **R. J. SHAH & COMPANY LIMITED** will be held on Thursday the 30th September, 2004 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, 2004 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 Dr. M. N. Patel, who retires by rotation and being eligible, offers himself 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 a Special Resolution:

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 311, Schedule XIII 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), the consent of the Company be and is hereby accorded to the appointment of Ms. Kalindi R. Shah as Managing Director of the Company and payment of remuneration to her for a period of 5 years w.e.f. 01-01-2005 upon the terms and conditions set out in the draft agreement submitted to this meeting and for identification purpose initialed by Dr. M.N.Patel, Director which agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and / or agreement in such manner as may be agreed to between the Board of Directors and Ms. Kalindi R. Shah"

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to review and / or revise the remuneration, perquisites and benefits to be paid or provided to, or any other terms and conditions of the appointment of Ms. Kalindi R. Shah as the Managing Director in the light of and in conformity with any amendments to the relevant provisions in the Companies Act, 1956 and / or the Rules and Regulations made there under and/or the guidelines as may be announced by the Central Government from time to time, and in accordance with the limits specified in Schedule XIII to the Companies Act, 1956 or any amendments thereto or substitution thereof, as may be agreed to between the Board of Directors and Ms. Kalindi R. Shah".

"RESOLVED FURTHER THAT in the absence or inadequacy of profit in any financial year, remuneration payable to Ms. Kalindi R. Shah as contained in the draft agreement, now placed before this meeting shall be the minimum remuneration, subject to the over all ceiling prescribed under Schedule XIII/Section 198 of the Companies Act, 1956 as may be applicable".

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 a sum equivalent to one percent each of the net profits of the Company computed in accordance with the provisions of Section 198 of the Companies Act, 1956, 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, 2004.”

7. 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 a sum of 0.55 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, 2004.”

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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 / herself and such proxy need not be a member of the Company.
2. The Dividend when declared will be payable on or before 29th October, 2004 to those shareholders whose names appear on the Register of Members as on 30th September, 2004.
3. The Register of Members and share Transfer Books of the Company will remain closed from Tuesday, the 21st September, 2004 to Thursday, the 30th September, 2004 (both days inclusive).
4. The Company has transferred unpaid dividend for the year ended 31st March, 1996 to the Investor Education & Protection Fund as per Rules of Central Government.
5. The explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business of Item Nos. 5, 6 & 7 is annexed hereto.
6. Unpaid Dividend payable to the Shareholders in respect of the 39th Dividend for the year ended 31st March, 1997 onwards shall be transferred to the Investor Education and Protection Fund under the amended 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 1996-97 declared on 26th September, 1997 will be transferred to the said Account of Central Government after 6-11-2004. 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.

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

MUMBAI

DATED : 30th June 2004.

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

Ms. Kalindi R. Shah is designated as Managing Director of the Company for a period of 5 years with effect from 01-01-2000 up to 31-12-2004 in terms of the Resolution passed by the shareholders at their meeting held on 30-09-1999 and hence has to be re-appointed.

Ms Kalindi R.Shah was therefore re-appointed as Managing Director for a further period of 5 years up to 31-12-2009 by the Board of Directors at their meeting held on 30-06-2004.

Ms. Kalindi R.Shah has made valuable contribution to the progress and the development of the Company since last 31 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 Ms. 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 w.e.f. 1st January, 2005 to 31st December, 2009 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 continuation of the performance of her duties, the Company shall pay to the Managing Director during the continuation of this Agreement, the following remuneration and perquisites subject to the ceiling limits laid down in sections 198, 269 and 309 read with Schedule XIII.

- (i) Salary :

Rs. 70,000/- per month with increments as decided by the Board of Directors and/or remuneration committee of Rs.10,000/- per month given annually till the end of her tenure subject to the ceiling under Schedule XIII and further such revision as may be necessary in the terms and conditions shall be considered by the Board or remuneration committee.

- (ii) Commission:
Based on the net profit of the Company subject to the ceiling under Section 198 read with Schedule XIII of the Companies Act, 1956.
- (iii) Perquisites :
Perquisites shall be restricted to an amount within the Annual Salary restricted by Schedule XIII of the Companies Act, 1956 as indicated in Part A, B & C.

PART A

- a) Housing: Furnished / Unfurnished accommodation, the expenditure on which shall not exceed 60% of the Salary or allowance in lieu thereof subject to ceiling of 60% of the salary. In addition Gas, water, electricity and furnishing or allowance in lieu thereof will also be provided, the expenditure on which will be valued as per Income Tax Rules.
- b) Medical Reimbursement: Medical Expenditure incurred by the Managing Director and her family subject to a ceiling of one month salary in a year.
- c) Leave Travel Concession : For the Managing Director and her family once a year.
- d) Club Expenses :Fees of clubs subject to a maximum of two clubs.This will not include Admission and Life Membership
- e) Personal Accident Insurance: Personal Accident Insurance of an amount, shall be provided as the Board may decide from time to time.

PART B

The following perquisites shall not be included in the computation of remuneration for deciding the ceiling specified for minimum remuneration under Schedule XIII of the Companies Act 1956.

- a) Contribution to Provident Funds: As per the rules of the Company.
- b) Gratuity: Benefits in accordance with the rules and regulations and scheme in force in the Company from time to time, but shall not exceed half a months salary for each completed year of service.
- c) Contribution to Superannuation / Annuity fund: As per the rules of the Company.
- d) Encashment of Leave: At the end of the tenure.

PART C

- a) Free use of car: Provision of fully maintained car with reimbursement of driver's salary for use on Company's business shall not be considered as perquisite. The use of car for private purpose, if any shall be billed by the Company to the Managing Director.
 - b) Free use of Telephone at Residence: Provision of Telephone at the residence of the Managing Director at Company's Cost shall not be considered as a perquisite. Personal long distance calls, if any, shall be billed by the Company to the Managing Director. The Company shall also provide mobile phone for use on Company's business.
- The word "Family" include spouse, dependent parents and children.
- Provided however that in the event of loss or inadequacy of profits in any financial year during the term of office of the Managing Director, the remuneration as stated above shall be payable to her as minimum remuneration, subject to the limits prescribed under the Companies Act, 1956 or Schedule XIII thereof (including any statutory modification or re-enactment thereof for the time being in force).

Your Directors have thought it prudent and in the interest of the Company to re-appoint Ms. Kalindi R. Shah as the Managing Director of the Company on the terms and conditions as mentioned hereinabove. Your Directors are of the opinion that her re-appointment will benefit your Company and therefore recommends the resolution at Item No.5 above for your approval.

The Draft of the agreement proposed to be entered into with Ms.Kalindi R. Shah as mentioned in the above resolution of her re-appointment will be available for inspection at the Registered Office of the Company on any working day between 11.00 a.m. to 1.00 p.m. up to the date of

the meeting.

Ms. Kalindi R. Shah will be benefited by her appointment to the extent of the remuneration that she will get as mentioned above.

Apart from her, Ms. Tejaswini R. Shah is also concerned or interested in the above resolution.

The Resolution given under this item and this explanatory statement may be construed as an abstract and memorandum of interest as required to be circulated to the members under Section 302 of the Companies Act, 1956.

ITEM No.6

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, 2004, 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.7

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 up to 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.1,40,000/- to be distributed equally among the four Non-Executive Directors being 0.55% 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, 2004.

REGISTERED OFFICE

Mahul Road, Antop Hill

MUMBAI – 400 -037

By Order of the Board

K.R.SHAH

Chairperson & Managing Director