



ENGINEERS
&
CONTRACTORS

R. J. SHAH & COMPANY LIMITED



47TH ANNUAL REPORT

2004-2005

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 **47th ANNUAL GENERAL MEETING** of the members of **R. J. SHAH & COMPANY LIMITED** will be held on Friday the 30th September, 2005 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, 2005 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 Shri. Sunil P Masand, 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 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, 2005.”

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 of Rs..1,30,000/- 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, 2005.”

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, 2005 to those shareholders whose names appear on the Register of Members as on 30th September, 2005
3. The Register of Members and share Transfer Books of the Company will remain closed from Wednesday, the 21st September, 2005 to Friday, the 30th September, 2005 (both days inclusive).
4. The Company has transferred unpaid dividend for the year ended 31st March, 1997 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 is annexed hereto.
6. Unpaid Dividend payable to the Shareholders in respect of the 40th Dividend for the year ended 31st March, 1998 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 1997-98 declared on 30th September, 1998 will be transferred to the said Account of Central Government after 10-11-2005. 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 2005.

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, 2005, 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 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 1,30,000/- of the net profit of the Company to be distributed equally among the four Non-Executive Directors.

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, 2005.
REGISTERED OFFICE
Mahul Road, Antop Hill
MUMBAI – 400 -037

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

DIRECTORS' REPORT

2004 – 2005

To,

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

The Directors have pleasure in submitting their 47th ANNUAL REPORT along with the Audited Balance Sheet and Profit & Loss Account for the year ended 31st March, 2005.

1 FINANCIAL RESULTS

	Current Year Rs.	Previous Year Rs.
Profit before depreciation and provision for taxation	2,44,53,030	2,75,06,373
Less: Depreciation	<u>21,99,070</u>	<u>22,15,359</u>
	2,22,53,960	2,52,91,014
Provision for Taxation	<u>81,49,336</u>	<u>87,09,167</u>
	1,41,04,624	1,65,81,847
Balance Profit brought forward from previous year	<u>65,28,700</u>	<u>67,33,093</u>
Amount available for Appropriation.	<u>2,06,33,324</u>	<u>2,33,14,940</u>
Less: Appropriations:		
Income Tax of earlier years	3,590	2,06,300
Proposed Dividend	14,00,500	14,00,500
Tax on proposed Dividend	1,96,420	1,79,440
Transfer to General Reserve	1,25,00,000	1,50,00,000
Balance carried to Balance Sheet	<u>65,32,814</u>	<u>65,28,700</u>
	<u>2,06,33,324</u>	<u>2,33,14,940</u>

2. DIVIDEND

Your Directors are pleased to recommend payment of Dividend @ 50 % (Previous year 50 %) for the year ended 31st March, 2005.

3. REVIEW OF OPERATIONS

During the year under review the progress of the work in hand at Tail Race Tunnel, Tail Surge Well and Lower Intake Structure for Ghatghar Project and Wan Project (1 x 1500 KW) which is a Turnkey Project, the work has progressed well and as per the requirements of the Clients.

Further tendering for new jobs is being investigated and your Company's pursuit continues to secure further equivalent jobs in Hydro Power Sectors for upcoming new projects in India.