



ENGINEERS
&
CONTRACTORS

R. J. SHAH & COMPANY LIMITED

54TH ANNUAL REPORT

2011 - 2012

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 **54TH ANNUAL GENERAL MEETING** of the members of **R. J. SHAH & COMPANY LIMITED** will be held on Friday the 28th September, 2012 at 4.00 p.m. at the Registered Office of the Company at Mahul Road, Antop Hill, Mumbai – 400 037. to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2012, together with the Profit & Loss Account for the year ended on that date and report of the Directors and Auditors thereon.
2. To Declare a 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 joint Auditors namely Messrs Maganlal & Co, Chartered Accountants the retiring Auditors of the Company along with Messrs N. S. Bhatt & Co., Chartered Accountants 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 pursuant to the provisions of Sections 198, 269, 309, and other applicable provisions, if any, of the Companies Act, 1956 and read with Schedule XIII of the said Act (including any statutory modification(s) or reenactment thereof, for the time being in force) and in terms of the recommendation of the Remuneration Committee and as approved by Board of Directors, approval of Members of the Company be and is hereby accorded to the re-appointment of Ms. Tejaswini R. Shah as Jt. Managing Director of the Company for a period of five (5) years commencing from May 09, 2012 with liberty to the Board of Directors to alter and vary the terms and conditions as may be agreed to between the Board of Directors and the Ms. Tejaswini R. Shah, Jt. Managing Director.

RESOLVED FURTHER THAT notwithstanding anything contained herein above, where, during the term of employment of the Ms. Tejaswini R. Shah, Jt. Managing Director, if in any financial year, the Company has no profits or its profits are inadequate, unless otherwise approved by any Statutory Authority, as may be required, the remuneration payable to her including Salary, perquisites and any other allowances shall be governed and be subject to the conditions and ceiling provided under the provisions of Schedule XIII to the Companies Act, 1956 or such other limits as may be prescribed by the Government from time to time as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take all necessary or desirable steps for the aforesaid purpose and matters incidental thereto.”

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 the 28th October, 2012 to those shareholders whose names appear on the Register of Members as on 28th September, 2012.
3. The Register of Members and Share Transfer Books of the Company will remain closed from the Friday the 21st September, 2012 to Friday 28th September, 2012 (both days inclusive)
4. The Company has transferred unpaid dividend for the year ended 31st March, 2004 to the Investor Education & Protection Fund as per the 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 No. 5 is annexed hereto
6. Unpaid Dividend payable to the Shareholders in respect of the 47th Dividend for the year ended 31st March, 2005 onwards shall be transferred to the Investor Education and Protection Fund under the amended provisions 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 2004-2005 declared on 30th September, 2005 will be transferred to the said Account of Central Government after 7-11-2012. 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: 30/05/2012
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. Tejaswini R. Shah is designated as Joint Managing Director of the Company for a period of 5 years with effect from 09-05-2007 upto 08-05-2012 in terms of the Resolution passed by the shareholders at their meeting held on 27th September, 2007 and hence has to be re-appointed.

Ms Tejaswini R. Shah was therefore re-appointed as Joint Managing Director for a further period of 5 years up to 08-05-2017 by the Board of Directors at their meeting held on 30-05-2012.

Ms. Tejaswini R. Shah has made valuable contribution to the progress and the development of the Company so many 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. Tejaswini 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 Joint Managing Director shall serve the Company as Joint Managing Director for a period of 5 years w.e.f. 09th May, 2012 to 08th May, 2017 subject to the employment being previously determined in terms of her appointment.
2. The Joint 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 Joint 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 Joint 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 :

₹. 90,000/- per month with increments as decided by the Board of Directors and/or remuneration committee of ₹.10,000/- per month given annually till the end of her tenure subject to the ceiling under Schedule XIII read with Section 198 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 profits 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 Joint 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 read with Section 198 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 Joint Managing Director.
- b) Free use of Telephone at Residence: Provision of Telephone at the residence of the Joint 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 Joint 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 Joint Managing Director, the

remuneration as stated above shall be payable to her as minimum remuneration, subject to the limits u/s 198 of the Companies Act, 1956 read with schedule XIV 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. Tejaswini R. Shah as the Joint 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.

Ms. Tejaswini 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. Kalindi 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.

MUMBAI
DATED: 30/05/2012
REGISTERED OFFICE
Mahul Road, Antop Hill,
Mumbai – 400 037.

By Order of the Board

K.R.SHAH

Chairperson & Managing Director

DIRECTORS' REPORT
2011-2012

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

The Directors have pleasure in submitting their 54th ANNUAL REPORT along with the Audited Balance Sheet and Profit & Loss Account for the year ended 31st March, 2012.

1. FINANCIAL RESULTS

	Current Year ₹	Previous Year ₹
Income		
Revenue from operations	1,34,58,740	3,41,62,328
Other Income	70,28,604	35,57,284
Total Revenue	2,04,87,344	6,97,35,171
Less : Total Expenses	1,53,41,800	3,67,15,893
Profit Before Depreciation & Taxation	51,45,544	3,30,19,278
(-) Depreciation	16,69,392	15,92,199
Profit Before Taxation	34,76,152	3,14,27,079
(-) Provision for Taxation	10,62,347	1,04,71,587
Profit After Taxation	24,13,805	2,09,55,492
(+) Balance profit brought forward from previous year	1,72,18,735	95,18,635
Amount available for Appropriations	1,96,32,540	3,04,74,127
Less: Appropriation:		
Proposed Dividend	42,015	28,01,000
Tax on Proposed Dividend	68,159	4,54,392
Transfer to General Reserve	10,00,000	1,00,00,000
	14,88,309	1,32,55,392
Net Surplus in the Profit & Loss A/c	1,81,44,231	1,72,18,735

2. DIVIDEND

Your Directors are pleased to recommend payment of Dividend @ ₹. 1.50/- per share (Previous Year ₹. 10/- per share) for the year ended 31st March, 2012.

3. REVIEW OF OPERATIONS

The tunneling work of company under MRVC for railways is progressing with many constrains. The work under joint venture, Dept - VIDC has not acquired the land and hence no activity is feasible. Further tendering in process to secure further works.

4. INSURANCE

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

5. CORPORATE GOVERNANCE

Clause 49 of the Listing Agreement pertaining to Corporate Governance is not applicable to the Company.

6. DIRECTORS

Under Article No. 45 (d) of the Articles of Association, Dr. M. N. Patel, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

7. 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, 2012, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- (II) That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state affairs of the Company at the end of the financial year and of the profit & 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, 2012 on a "going concern" basis.