

DIRECTORS' REPORT 2012-2013

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

The Directors have pleasure in submitting their 55th ANNUAL REPORT along with the Audited Balance Sheet and Profit & Loss Account for the year ended 31st March, 2013.

1. FINANCIAL RESULTS

	Current Year Rs.	Previous Year Rs.
Income		
Revenue from operations	4,48,05,877	1,34,58,740
Other Income	58,26,976	70,28,604
Total Revenue	5,06,32,853	2,04,87,344
Less : Total Expenses	4,28,48,524	1,53,41,800
Profit Before Depreciation & Taxation	77,84,329	51,45,544
(-) Depreciation	13,15,429	16,69,392
Profit Before Taxation	64,68,900	34,76,152
(-) Provision for Taxation		
(i) Current Tax	21,00,000	6,75,000
(ii) Deferred Tax	(1,00,649)	3,87,347
Profit for the year	44,69,549	24,13,805

2. DIVIDEND

Your Directors are pleased to recommend payment of Dividend @ Rs.1.50/- per share (Previous Year Rs. 1.50/- per share) for the year ended 31st March, 2013.

3. REVIEW OF OPERATIONS

The tunneling work of company under MRVC for Railway has been completed for excavation as Mumbra face after forest clearance has opened up and further portal decision for concreting awaited and hence applied for time extension. 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, Mr. Sunil P. Masand, 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, 2013, 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, 2013 on a "going concern" basis.

8. COMPLIANCE CERTIFICATE UNDER SECTION 383A (i)

As per the amendment by Companies Act, 2002 all companies having a paid up Capital of more than Rs. 10 Lakhs but less then Rs. 500 Lakhs requires Compliance Certificate from a Practising Company Secretary certifying that the Company has complied with various provisions under the Companies Act. This provision has been complied with by the Company.

9. 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.

10. AUDITOR'S REPORT

Regarding comments in the Auditor's Report, the relevant notes in the accounts are self explanatory.

11. APPOINTMENT OF AUDITORS

M/s Maganlal & Co. Chartered Accountants, Firm Registration No. 105731W, Mumbai, & M/s. N. S. Bhatt & Associates., Chartered Accountants Mumbai, Firm Registration No 130891W, Statutory Auditors of the Company retires at the ensuing Annual General Meeting. the re-appointment of M/s Maganlal & Co. Chartered Accountants along with M/s. N. S. Bhatt & Associates., Chartered Accountants to be appointed as Joint Auditors of the Company. The Auditors have given the certificate that the re-appointment, if made, will be within the prescribed limit specified under section 224 (1B) of the Companies Act, 1956.

The Auditors' observations read with the Notes to the accounts are self explanatory.

12. 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 2013-14.

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

Considering the nature of activities of the company, the Information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo are not applicable to the Company. However, the Company is making all efforts to conserve the same and the Company's technology being indigenous, the question of absorption by the Company does not arise. Also no foreign exchange were earned or spent.

14. APPRECIATION

The Directors wish to place on record sincere appreciation for the devoted and efficient services rendered by all workforce of the Company.

MUMBAI

DATED: 30/05/2013

REGISTERED OFFICE

Mahul Road, Antop Hill,

Mumbai - 400 037.

By Order of the Board

K.R. SHAH

Chairperson & Managing Director

AUDITOR'S REPORT

To The Members of
R.J. SHAH & COMPANY LIMITED

Report on the Financial Statements : We have audited the accompanying financial statements of R.J.Shah & Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements : Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility : Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion : In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Statement of the Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For N.S.Bhatt and Associates
Chartered Accountants
Firm Registration No:130891W

For Maganlal & Company
Chartered Accountants
Firm Registration No:105731W

N.S.Bhatt
(Partner)
Membership No. : 010149

Mukesh C Bhatt
(Proprietor)
Membership No.014092

Place:Mumbai
Date::30th May, 2013

Annexure to the Auditor Report

(Referred to in paragraph (1) of our report of even date)

I In respect of its fixed assets:

- a) The Company has maintained proper records showing full particulars including quantitative details of fixed assets except that of Furniture and Fixture and scientific Apparatus.
- b) A major portion of the fixed assets have been physically verified by the management during the year. In our opinion the frequency of verification of the fixed assets by the management is reasonable having regards to size of the company and the nature of its assets. As reported by the management no material discrepancies were noticed on such verifications.
- c) In our opinion and according to the information and explanation given to us, a substantial part of the fixed assets has not been disposed off by the company during the year and the going concern status of the company is not affected.

II In respect of its inventories:

- a) As explained to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b) In our opinion and according to the information and explanation given to us procedure of physical verification of inventories followed by the management, reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) In our opinion and according to the information and explanation given to us, the company is maintaining proper records of inventory. The discrepancies noticed on verification between physical stocks and the book records were not material and have been properly dealt with in the books of accounts.

III In respect of unsecured loans granted by the company to the companies covered in the register under section 301 of the companies act, 1956 and according to the information and explanation given to us:-

- a) During the year, the Company has not given any loans, secured or unsecured to companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of sub clauses (a) to (d) of clause 4(iii) of CARO are not applicable to the company.
- b) The Company has not taken any loans, secured or unsecured, from companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of sub clauses (e), (f) and (g) of clause 4(iii) of CARO are not applicable to the company.

IV In our opinion and according to the information and explanation given to us, there is an adequate internal control system commensurate with the size of the Company and nature of its business with regards to the purchase of inventory and fixed assets and for the work done and services. During The course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system of the Company.

V In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act, 1956

- a) Based on audit procedures applied by us, to the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transaction made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices of the relevant time.

- e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For N.S.Bhatt and Associates
Chartered Accountants
Firm Registration No:130891W

For Maganlal & Company
Chartered Accountants
Firm Registration No:105731W

N.S.Bhatt
(Partner)

Membership No.: 010149

Mukesh C Bhatt
(Proprietor)

Membership No.014092

Place:Mumbai

Date::30th May, 2013