

**58<sup>th</sup> ANNUAL REPORT****2015-2016****R J SHAH AND COMPANY LIMITED**

REGD. OFFICE: Mahul Road, Antop Hill, Mumbai - 400037

CIN: L45202MH1957PLC010986

Tel No: 91-24148081/82

Email ID: [rjshah\\_191@hotmail.com](mailto:rjshah_191@hotmail.com)**BOARD OF DIRECTORS:**

Ms. Kalindi Shah (DIN-00402482)	:	Chairperson & Managing Director
Ms. Tejaswini Shah (DIN- 00402478)	:	Joint Managing Director
Dr. Manubhai Patel (DIN- 00909485)	:	> Independent Non-Executive Director upto 30/05/ 2016. > Appointed as an additional director w.e.f. 31/05/2016
Mr. Raghavendra Raichur (DIN- 06926975)	:	Independent Non-Executive Director
Mrs. Swati Agrawal (DIN- 00402476)	:	Independent Non-Executive Director
Mr. Sunil Masand (DIN- 00371211)	:	Independent Non-Executive Director

**AUDITORS:****Maganlal & Company,  
Chartered Accountants****H. S. Bhatt & Associates  
Chartered Accountants****LISTING OF EQUITY SHARES:****BSE Limited**Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai - 400 001**AUDIT COMMITTEE**Mr. Sunil Masand  
Mr. Raghavendra Raichur  
Ms. Swati Agrawal**SECTERIAL AUDITOR**

M/s Deepak Rane

**BANKERS:**Union Bank of India  
State Bank of India

## NOTICE

NOTICE is hereby given that 58<sup>TH</sup> ANNUAL GENERAL MEETING of the members of R. J. SHAH & COMPANY LIMITED will be held on Wednesday the 28<sup>th</sup> September, 2016 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 financial statement of the Company for the financial year ended 31<sup>st</sup> March, 2016, and report of the Board of Directors and Auditors thereon.
2. To declare dividend on equity share capital for the financial year ended March 31, 2016
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, and to fix their remuneration.

"RESOLVED that pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the appointment of N S Bhatt & Associates, Chartered Accountants (Firm Registration No. 130891W), as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 59<sup>th</sup> AGM of the Company to be held in the year 2017 to examine and audit the accounts of the Company at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors."

### SPECIAL BUSINESS:

- 4 To consider, and if thought fit, to pass with or without modification(s) the following as an ordinary business

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Dr. Manubhai Patel (DIN 00909485), who was appointed as an Additional - Non Executive Director of the Company with effect from 31<sup>st</sup> May, 2016 by the Board of Directors of the Company and who in terms of Section 161 of the Companies Act, 2013 holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing her candidature for the office of Director, be and is hereby appointed as a Non-Executive Director of the company, liable to retire by rotation."

### NOTES

1. AN EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 RELATING TO THE SPECIAL BUSINESSES TO BE TRANSACTED AT THE ANNUAL GENERAL MEETING (AGM) IS ANNEXED HERETO. THE RELEVANT DETAILS AS REQUIRED UNDER REGULATION 36(3) OF SECURITIES EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 SEEKING APPOINTMENT/RE-APPOINTMENT AS DIRECTORS UNDER ITEMS NO. 4, OF THE NOTICE ARE ALSO ANNEXED.
2. 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 FORM OF PROXY FOR THE ANNUAL GENERAL MEETING IS ENCLOSED. PROXY IN ORDER TO BE VALID MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. The Register of Members and Share Transfer Books of the Company will remain closed from the Tuesday 20<sup>th</sup> September, 2016 to Wednesday 28<sup>th</sup> September, 2016 (both days inclusive).
4. Members/Proxy should bring their copy of the Annual Report for reference at the meeting and also the attendance slip duly filled in for attending the meeting.
5. All documents referred to in the notice are open for inspection at the registered office of the Company between 11.00 a.m. and 1.00 p.m. on all working days upto the date of Annual General Meeting.
6. Dividend @ Rs. 1.00/- per share as recommended by the Board of Directors for the year ended 31<sup>st</sup> March, 2016 and subject to the approval of the shareholders at the ensuing Annual General Meeting, is proposed to be paid or dispatched not later than 28<sup>th</sup> October, 2016 to those members whose names appear in the Register of Members of the company as of the close of business hours as on 19<sup>th</sup> September, 2016.
7. The Company has transferred unpaid dividend for the year ended 31<sup>st</sup> March, 2008 to the Investor Education & Protection Fund as per the Rules of Central Government.



8. Unpaid Dividend payable to the Shareholders in respect of the 51<sup>st</sup> Dividend for the year ended 31<sup>st</sup> March, 2009 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 7<sup>th</sup> year from the date of such transfer to unpaid dividend account and hence unpaid dividend for the year 2008-2009 declared on 29<sup>th</sup> September, 2009 will be transferred to the said Account of Central Government before 27-11-2016. The details of unclaimed dividend lying with the Company as on September 29, 2015 (date of last Annual General Meeting) has been uploaded on Ministry of Corporate Affairs website [www.mca.gov.in](http://www.mca.gov.in) in accordance with the requirements of relevant Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012.
9. Since the shares of the Company are not dematerialised, Voting through Electronic mode is not possible and hence facilities of Ballot Papers are being provided alongwith Annual Report.
10. Members are requested to notify immediately any change in their address to the Company alongwith any change in their bank details already registered with the company.

MUMBAI  
DATED:30/05/2016  
REGISTERED OFFICE  
Mahul Road, Antop Hill,  
Mumbai – 400 037.

By Order of the Board

K. R. SHAH  
Chairperson & Managing Director  
Din No. 0402482

#### Explanatory Statement

#### Pursuant to Section 102(1) of the Companies Act, 2013

#### Item no. 4

The Board of Directors (based on the recommendation of Nomination and Remuneration Committee) has appointed Dr. Manubhai Patel as an Additional – Non Executive Director of the Company on 31<sup>st</sup> May, 2016. He is B.E. (Civil), from Michigan State University, USA, A.M.I.E. The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 along with the amount of requisite deposit from one of the member signifying his intention to propose the appointment of Dr. Manubhai Patel as a Non Executive Director.

None of the Directors, except Dr Manubhai Patel and Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the said resolution. The Board recommends resolutions under item no. 4 to be passed as an ordinary resolution.

Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard issued by the Institute of Company Secretaries of India details of Director seeking appointment at the ensuing Annual General Meeting are as follows:

Name of the Director	Dr Manubhai Patel
Date of Birth	08 <sup>th</sup> June, 1927
Date of Appointment	31 <sup>st</sup> May, 2016
Qualification	B.E. (Civil), Michigan State University, USA, A.M.I.E.
Expertise in Specific Functional Areas	Technical Consultation for all types of engineering works since last 45 years
Directorship held in other Public Company	Nil
Membership/ Chairmanship of Committees of other Public Company	Nil
Number of shares held in the company	1100
Relationship between directors inter-se	N.A.

PLACE : MUMBAI  
DATED:30/05/2016  
REGISTERED OFFICE  
Mahul Road, Antop Hill,  
Mumbai – 400 037.

By Order of the Board

K. R. SHAH  
Chairperson & Managing Director  
Din No. 0402482

**DIRECTORS' REPORT**  
**2015-2016**

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

The Directors have pleasure in submitting their 58<sup>th</sup> ANNUAL REPORT along with the Audited Balance Sheet and Profit & Loss Account for the year ended 31<sup>st</sup> March, 2016.

**FINANCIAL RESULTS**

	Current Year ended 31.03.2016 (Rs.)	Previous Year ended 31.03.2015 (Rs.)
<b>Income</b>		
Revenue from operations	81,30,520	2,59,56,295
Other income	68,00,667	64,44,764
<b>Total Revenue</b>	<b>1,49,31,187</b>	<b>3,24,01,059</b>
Less : Total Expenses (Excluding Depreciation)	1,17,56,596	2,31,47,033
<b>Profit Before Depreciation &amp; Taxation</b>	<b>31,74,591</b>	<b>92,54,026</b>
# (-) Depreciation	17,78,511	24,12,359
<b>Profit Before Taxation</b>	<b>13,96,080</b>	<b>68,41,667</b>
(-) Provision for Taxation		
(i) Current Tax	8,30,000	26,80,000
(ii) Deferred Tax	(4,11,425)	(4,92,585)
<b>Profit for the year</b>	<b>9,77,505</b>	<b>46,54,252</b>

**OPERATIONAL REVIEW:**

Gross revenues for the year ended 31<sup>st</sup> March, 2016 is Rs. 1,49,31,187/-, as against Rs. 3,24,01,059/- in the previous year. Profit before depreciation and taxation is Rs. 31,74,591/- as against Rs. 92,54,026/- in the previous year. The net profit of the Company for the year under review was placed is Rs. 9,77,505/- as against Rs 46,54,252/- in the previous year.

**DIVIDEND**

Your Directors are pleased to recommend payment of Dividend @ Rs. 1.00/- per share (Previous Year Rs. 1.50/- per share) for the year ended 31<sup>st</sup> March, 2016.

**SHARE CAPITAL**

The paid up equity capital as on March 31, 2016 was Rs.28,01,000/-. During the year under review, the Company has not issued any shares.

**CHANGES IN THE NATURE OF BUSINESS**

There is no change in the nature of business of the Company during the year.

**MATERIAL CHANGES AND COMMITMENTS**

There have not been any material changes and commitments affecting the financial position of the Company between the end of the financial year of the Company as on March 31, 2016 and the date of this report i.e. May 30, 2016.

**GENERAL**

During the financial year 2015-16, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 and rules made there under.

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

The Company has in place policy as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year, no case was reported to the Committee constituted under the said Act.



## **DIRECTOR & KMP**

Dr. Manubhai Patel resigned from the Board as an Independent Director due to his preoccupation. His resignation was accepted effective from 30<sup>th</sup> May, 2016. The Board of Directors record their appreciation of the services rendered by Dr. Manubhai Patel during his term as a Independent Director of the Company.

The Board of Directors further appointed Dr. Manubhai Patel (holding DIN 00909485) as an Additional Directors with effect from 31/05/2016 pursuant to section 161 of the Companies Act, 2013 and Article 45 of Articles of Association of the Company. As Additional Director he holds office only upto the date of the ensuing annual general meeting. The company has received a notice under section 160(1) of the Companies Act, 2013 proposing candidature of Dr. Manubhai Patel to the office of Director alongwith the requisite deposit.

The requisite Resolution for the appointment of Dr. Manubhai Patel as a Non Executive Director, is being proposed in the Notice of the ensuing Annual General Meeting for the approval of the Members.

The information on the particulars of the Directors proposed for appointment has been given in the Notice of the Annual General Meeting.

The board was informed that in terms of provisions of Section 152 of the Companies Act, 2013, 1/3 of the Directors liable to retire by rotation, shall retire from office every year at the Annual General Meeting. Since the company is having only Managing Director, Whole-Time Director, Independent Directors and one additional director, there are no directors eligible to retire by rotation and re-appointment.

## **DECLARATION OF INDEPENDENT DIRECTORS**

The Independent Directors have submitted their disclosures to the Board that they fulfil all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

## **Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit,

## **DIRECTOR'S RESPONSIBILITY STATEMENT:**

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- iii) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The directors have prepared the annual accounts on a going concern basis.
- v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

## **SUBSIDIARY COMPANIES:**

The Company does not have any subsidiary.

## **Meetings**

Minimum four prescheduled Board meetings are held every year. Additional meetings are held to address specific needs of the Company. In case of any exigency/ emergency, resolutions are passed by circulation. During the Financial Year 2015-16 the Board of Directors met four times on- 29/05/2015, 13/08/2015, 06/11/2015 and 11/02/2016. The maximum gap between any two meetings was less than one hundred and twenty days, as stipulated under Regulation 17 of the Listing Regulations and Secretarial Standards.

#### **RELATED PARTY TRANSACTIONS:**

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

The company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013.

The detail of the investments made by company is given in the notes to the financial statements.

#### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board & to the Chairman & Managing Director.

The Accounts Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies.

Based on the report of internal audit function, corrective action is taken and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

#### **NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee has been constituted as per the section 178(1) of the Companies Act, 2013.

#### **REMUNERATION POLICY**

##### **Remuneration to Executive Directors:**

The remuneration paid to Executive Directors is recommended by the Nomination and Remuneration Committee and approved by Board in Board meeting, subject to the subsequent approval of the shareholders at the General Meeting and such other authorities, as may be required. The remuneration is decided after considering various factors such as qualification, experience, performance, responsibilities shouldered, industry standards as well as financial position of the Company.

##### **Remuneration to Non- Executive Directors:**

Non Executive Director are paid sitting fees for each meeting of the Board and committee of Directors attend by them.

#### **AUDIT COMMITTEE**

The Company's Audit Committee has been constituted as per section 177 of the Companies Act, 2013. Four meetings of the Audit Committee were held during the financial year 2015-16.

#### **STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The Company's Stakeholders Relationship Committee has been constituted as per section 177 of the Companies Act, 2013.

#### **VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

The Company has a vigil mechanism named Fraud and Risk Management Policy to deal with instance of fraud and mismanagement, if any.

In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

The Company has a Fraud Risk and Management Policy to deal with instances of fraud and mismanagement, if any.

The FRM Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.



A high level Committee has been constituted which looks into the complaints raised. The Committee reports to the Audit Committee and the Board.

#### **BUSINESS RISK MANAGEMENT:**

Pursuant to section 134 (3) (n) of the Companies Act, 2013 the company has constituted a business risk management committee. The details of the committee and its terms of reference are set out in the corporate governance report forming part of the Board's report.

At present the company has not identified any element of risk which may threaten the existence of the company.

#### **AUDITORS & REPORT thereon**

The Chairperson informed the Board that the present Joint Auditors namely M/s Maganlal & Co, Chartered Accountants along with M/s N. S. Bhatt & Associates, Chartered Accountants whose tenure were to end and whose appointments are to be ratified at the forthcoming Annual General Meeting. She further informed that M/s Maganlal & Co, Chartered Accountants have shown their unwillingness for continuation of their services as Statutory Auditor of the Company, after expiry of their terms at ensuing Annual General Meeting. After discussion board decided to recommend appointment of M/s N. S. Bhatt & Associates, Chartered Accountants, Mumbai as Statutory Auditors of the Company from the conclusion of the ensuing 58<sup>th</sup> Annual General Meeting until the conclusion of the 59<sup>th</sup> Annual general Meeting to audit the accounts for the year 2016-2017.

Their continuance of appointment are to be confirmed and approved in the ensuing Annual General Meeting.

There are no qualifications or adverse remarks in the Auditors' Report which require any clarification/ explanation. The Notes on financial statements are self-explanatory, and needs no further explanation.

#### **INTERNAL AUDITOR**

As per section 138 of the Companies Act, 2013, the Company has appointed M/s. Ravindra B. Shah & Co. , internal auditors for the year to 2016-2017 to conduct the internal audit and to ensure adequacy of the internal controls, adherence to Company's policies and ensure statutory and other compliance through, periodical checks and internal audit.

#### **COST AUDITORS**

As per Section 148 read with Companies (Audit & Auditors) Rules, applicable to cost auditors, the company was not liable to appoint Cost auditors for the financial year 2015-16.

#### **SECRETARIAL AUDITOR:**

Pursuant to provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has appointed M/s Deepak Rane a Practising Company Secretaries in practice to undertake the Secretarial Audit of the Company. The Secretarial Audit report is annexed herewith

#### **REPLY ON SECRETARIAL AUDITOR OBSERVATION**

(i) The limited review report under clause 41 was submitted later separately which was left out while publishing quarterly results with stock exchange.

(ii) The company's paid up capital is only Rs. 28 lacs with Bombay Stock Exchange (BSE) listed and the shares are in physical mode with no trading place. The Company is enjoying the services of Practising Company Secretary (PCS) since last so many years for observance and compliance as per the Companies Act, 2013 & other applicable corporate laws. The Companies Act, 2013 mandates the appointment but since the company's sole purpose of continuation is to recover its outstanding and no further orders have been executed for the last few years, the appointment looks very difficult and un viable

(iii) e-voting Facility AS the Company's shares are in physical mode with no activity taking place and further the linkage of electronic mode has not been availed by the Company, the evoting facility has not been granted by the Company to the shareholder but the ballot paper options has been given in its place

#### **EXTRACT OF ANNUAL RETURN**

Pursuant to the provisions of Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of Annual Return of the Company for the financial year ended on March 31, 2016 in Form MGT-9 is annexed herewith

#### **CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

The company does not meet the criteria of Section 135 of Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 so there is no requirement to constitute Corporate Social Responsibility Committee.

## CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORTS

SEBI Circular No. SEBI/LAD-NRO/IGN/2015-16/013 dated 02<sup>nd</sup> September 2015, The Company is under exempted category as the paid up equity capital of the Company is below Rs.10 Crores and Net worth is below Rs.25 Crores as on the last day of the previous financial year (audited), i.e. 31.03.2016.

### PARTICULARS OF EMPLOYEES

Information as per Section read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is not applicable.

### 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.

### ACKNOWLEDGEMENTS:

Your Company and its Directors wish to extend their sincerest thanks to the Members of the Company, Bankers, State Government, Local Bodies, Customers, Suppliers, Executives, Staff and workers at all levels for their continuous cooperation and assistance.

Place : Mumbai By Order of the Board

DATED: 30/05/2016

REGISTERED OFFICE

MAHUL ROAD,

ANTOP HILL,

MUMBAI - 400037

K.R. SHAH

Din 00402482

Managing Director

T. R. Shah

Din.00402478

Joint Managing Director



**Secretarial Audit Report**

Form No. MR-3

FOR FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2016.

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**R J SHAH AND COMPANY LIMITED.**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by R J Shah And Company Limited (hereinafter called "The Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period ended on 31<sup>st</sup> March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers and minute books, as mentioned in **Annexure I**, Forms and returns filed and other records maintained by R. J. Shah And Company Limited ("The Company"), for the year ended on 31<sup>st</sup> March, 2016 to the extent applicable to the provisions of:

- I. The Companies Act, 2013 ("The Act") and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the Rules made thereunder;
- III. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - **Not Applicable**
- IV. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") to the extent applicable to the Company during the year:
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client: Not applicable
  - e. The Company has complied with the requirements under the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 entered into with BSE Limited. The Quarterly Results were submitted on time, however the Limited Review Report has been submitted later and the Company has not maintained a functional website as per regulation 62(1) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.
- V. We have relied on the representation made by the Company and its Officers for systems and mechanism put in place by the Company for Compliances under other applicable Act, Laws and Regulations to the Company.

During the period under review the company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. The company has complied with the provisions of Section 203 of the Companies Act 2013, except for the appointment of Company Secretary.
2. The Company has not opted for e-voting facility with either of the two Depositories.

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance; and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Date: 30/05/2016  
Place: Mumbai

For Deepak Rane  
Company Secretary

Proprietor  
ACS: 24110 CP: 8717

This report is to be read with our letter of even date which is annexed as Annexure II and forms an integral part of this report.

#### Annexure - I

##### BOOKS, PAPERS AND MINUTE BOOKS MAINTAINED BY THE COMPANY

1. Book containing the Minutes of Board Meeting, General Meeting and Committee Meeting
2. Book of accounts
3. Register of Members.
4. Register of Transfer.
5. Register of Directors and Key Managerial Personnel
6. Register of Director's shareholdings.
7. Register of Charges
8. Register of Shareholders Attendance.
9. Register of investments or loans made, guarantee or security provided.
10. Register of particulars of contracts in which Directors are interested.
11. Register of Contracts.

#### Annexure - II

To,  
The Members,  
R J Shah and Company Limited.

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date: 30/05/2016  
Place: Mumbai

For Deepak Rane  
Company Secretary

Proprietor  
ACS: 24110 CP: 8717