



ENGINEERS
&
CONTRACTORS

R. J. SHAH & COMPANY LIMITED

49TH ANNUAL REPORT

2006-2007

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 **49th ANNUAL GENERAL MEETING** of the members of **R. J. SHAH & COMPANY LIMITED** will be held on Thursday the 27th September, 2007 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, 2007, together with the Profit & 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 Mrs. Swati Agarwal, who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint Auditors for the current year and fix their remuneration.

SPECIAL BUSINESS

5. **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 re-appointment of Ms. Tejaswini R. Shah as Joint Managing Director of the Company and payment of remuneration to her for a period of 5 years w.e.f. 09-05-2007 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. Tejaswini 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. Tejaswini R. Shah as the Joint 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. Tejaswini R. Shah".

"RESOLVED FURTHER THAT in the absence or inadequacy of profit in any financial year, remuneration payable to Ms. Tejaswini 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 1% (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, 2007."

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 Rs.1,30,000/- 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, 2007."

NOTES

1. A Member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote and such proxy need not be a member of the Company.
2. The Dividend when declared will be payable on or before the 26th October, 2007 to those shareholders whose names appear on the Register of Members as on 27th September, 2007.
3. The Register of Members and Share Transfer Books of the Company will remain closed from the Tuesday the 18th September, 2007 to Thursday 27th September, 2007 (both days inclusive)

4. The Company has transferred unpaid dividend for the year ended 31st March, 1999 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 / 6 & 7 is annexed hereto.
6. Unpaid Dividend payable to the Shareholders in respect of the 42nd Dividend for the year ended 31st March, 2000 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 1999-2000 declared on 24th September, 2000 will be transferred to the said Account of Central Government after 9-11-2007. 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: 29th June, 2007.
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 09-05-2002 upto 08-05-2007 in terms of the Resolution passed by the shareholders at their meeting held on 30th September, 2002 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 08-05-2012 by the Board of Directors at their meeting held on 31-01-2007.

Ms. Tejaswini 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. 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, 2007 to 08th May, 2012 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 Managing Director 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 :

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 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 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 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. 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.

The Draft of the agreement proposed to be entered into with Ms. Tejaswini 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. 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.

ITEM NO. 6

Section 198/309 of the Companies Act, 1956 permits payments of remuneration to the Directors including Managing Director and Whole time Director, by way of commission on the net profit of the Company for 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 the net profits of the Company for the year ended 31st March, 2007, 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 Directors of the Company are in any way, concerned or interested in the said resolution.

Yours Directors recommended 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 1, 30,000/- of the net profits 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.

Yours Directors recommended the aforesaid resolution for your approval.

MUMBAI
DATED: 29th June, 2007.
REGISTERED OFFICE
Mahul Road, Antop Hill,
Mumbai – 400 037.

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

DIRECTORS' REPORT

2006-2007

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

The Directors have pleasure in submitting their 49th ANNUAL REPORT along with the Audited Balance Sheet and Profit & Loss Account for the year ended 31st March, 2007.

1. FINANCIAL RESULTS

	Current Year Rs.	Previous Year Rs.
Profit before Deprecation and provision for taxation	2,02,06,427	2,43,54,647
(-) Deprecation	19,48,355	21,93,056
TOTAL	1,82,58,072	2,21,61,591
(+) Provision for Taxation	62,64,009	74,84,074
(+) Balance profit brought forward from previous year	71,13,947	65,32,814
Amount available for Appropriations	1,91,08,010	2,12,10,331
Less: Appropriation:		
Income Tax Earlier Years	18,516	(536)
Proposed Dividend	700250	14,00,500
Tax on Proposed Dividend	119007	1,96,420
Transfer to General Reserve	1,00,00,000	1,25,00,000
Balance carried to Balance Sheet	82,70,237	71,13,947

2. DIVIDEND

Your Directors are pleased to recommend payment of Dividend @ 25% (Previous Year 50%) for the year ended 31st March, 2007.

3. REVIEW OF OPERATIONS

The work of T. R. T., Tail Surge well and intake structure with extra item & additional items of work was completed on 31-07-2006, with contract value of more than 50 Crores. Mechanical Spinning of WAN project achieved satisfactorily. Tender for value of 3.5 Crores is in final stages of negotiation & further tendering in progress for new 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, Mrs. Swati Agarwal retires by rotation at the ensuing Annual General Meeting and being eligible offers herself 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, 2007, 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, 2007 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 than Rs. 200 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 & Company, Chartered Accountants, the Auditors of the Company are due to retire at this Annual General Meeting and are eligible for re-appointment.

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 2007-08.

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 record their sincere appreciation for the co-operation and guidance offered to the Company by the concerned contracting authorities and their officers for the execution of the works. The Directors also wish to place on record their sincere appreciation for the devoted and efficient services rendered by all workforce of the Company.

MUMBAI
DATED: 29th June, 2007.
REGISTERED OFFICE
Mahul Road, Antop Hill,
Mumbai – 400 037.

By Order of the Board

K.R. SHAH
Chairperson & Managing Director

AUDITOR'S REPORT

The Members of

R.J. SHAH & COMPANY LIMITED

Report on the accounts for the year ended on 31st March, 2007 in compliance with Section 227(2) of the Companies Act, 1956.

1. We have audited the attached Balance Sheet of R.J. SHAH & COMPANY LIMITED, as at 31st March, 2007 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order 2003 as amended by Companies (Auditor's Report) (Amended) Order 2004 issued by the Central Government of India in terms of sub-Section (4A) of Section 227 of the Companies Act, 1956, and on the basis of such checks of the books and records of the Company we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matter specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph (3) above, 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 purposes of our Audit;
 - b. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - d. In our opinion, the Balance Sheet and the Profit and Loss account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-Section (3C) of Section 211 of the Companies Act, 1956, to the extent applicable.
 - e. On the basis of written representations received from the directors, as on 31st March, 2007, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2007 from being appointed as a Director in terms of clause (g) of subSection (1) of Section 274 of the Companies Act, 1956.
 - f. In our opinion, and to the best of our information and according to the explanations given to us, the said accounts, subject to and read together with notes there on, of schedule 18 give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - i) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2007;
 - ii) in the case of Profit and Loss Account of the Profit for the year ended on that date and
 - iii) in the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

PLACE: MUMBAI

DATED : 29TH JUNE 2007

FOR MAGANLAL & COMPANY

CHARTERED ACCOUNTANTS

MUKESH C. BHATT

PROPRIETOR

MEMBERSHIP NO.14092

ANNEXURE TO THE AUDITOR'S REPORT

Referred to in paragraph 3 of our report of even date on the accounts for the year ended 31st March 2007 of the R. J. SHAH & COMPANY LIMITED.

- I. 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 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 regard to the size of the Company and nature of its assets. As reported by the Management no material discrepancies were noticed on such verification.
c. In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- II. 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 the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
c. In our opinion and according to information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between physical stock and the book records were not material and have been properly dealt with in the books of accounts.
- III. a. The Company has accepted Unsecured Loans from Two Companies covered in the register maintained under Section 301 of the Companies Act, 1956 aggregates to Rupees Nine Lacs Fifty Thousand. The Company has not granted any loans secured or unsecured to the Companies covered in the register maintained under Section 301 of the Companies Act, 1956.
b. In our opinion the rate of interest and other terms and conditions on which loans have been taken from the Companies listed in the register maintained under Section 301 of the Companies Act, 1956 are not prima facie, prejudicial to the interest of Company.
c. The Company is regular in repaying the principal amounts as stipulated and has been regular in repayment of interest.
d. There is no overdue amount of loan taken from the companies listed in the register maintained under Section 301 of the Companies Act, 1956.
- IV. In our opinion and according to the information and explanations given to us there is an adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to the purchase of inventory and fixed assets and for the work done. During the course of our audit, we have not observed any major weakness in internal control systems.
- 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 needed to be entered in 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 transactions entered in the register maintained under Section 301 and exceeding during the year by rupees five lacs in respect of each party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- VI. In our opinion and according to the information and explanations given to us the Company has complied with the provisions of Section 58A and 58AA and any other relevant provisions of the Companies Act, 1956 and rules made there under with regard to the deposits accepted from the public. As informed to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any

Court or any other Tribunal.

- VII. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- VIII. As informed to us, the Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for the year under review.
- IX. a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion the Company is generally regular in depositing the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues as applicable with the appropriate authorities during the year.
- b. According to the information and explanations given to us no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Service Tax, Customs Duty and Cess were in arrears as at 31st March, 2007 for a period of more than six months from the date they become payable.
- c. *According to the information and explanations given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, service tax, excise duty and cess which has not been deposited on account of any dispute.*
- X. The Company does not have any accumulated losses as at the end of the financial year and the Company has not incurred cash losses during the current and the immediately preceding financial year.
- XI. In our opinion and according to information and explanations given to us the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holder as at the balance sheet date.
- XII. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- XIII In our opinion, the Company is not a chit fund or a nidhi mutual benefit fund/society. Accordingly the clause (XIII) of the Order is not applicable to the Company.
- XIV In our opinion, the Company is not dealing in or trading in shares, securities debentures and other investments. Accordingly, the Clause (XIV) of the order is not applicable to the Company.
- XV According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks and financial institutions.
- XVI The Company has not obtained any term loans. Accordingly clause (XVI) of the order is not applicable to the Company.
- XVII According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term investment. No long term funds have been used to finance short term assets except permanent working capital.
- XVIII According to the information and explanation given to us, the Company has not made any preferential allotment of shares to parties and the companies covered under register maintained under Section 301 of the Companies Act, 1956 during the year and the question of whether the price at which the shares have been issued is prejudicial to the interest of the Company does not arise.
- XIX The Company has not raised any money by issue of debentures and hence the question of securities have been created in respect of the debenture issue does not arise.
- XX The Company has not raised money by any public issue during the year and hence the question of disclosure and verification of end use of such money does not arise.
- XXI To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

PLACE : MUMBAI
DATED : 29TH June 2007
MEMBERSHIP NUMBER 14092

FOR MAGANLAL & COMPANY
CHARTERED ACCOUNTANTS
(MUKESH C. BHATT)
PROPRIETOR

R.J.Shah & Company Limited
Balance Sheet as at 31st March 2007

		For the Year ended 31-Mar-07 Rs.	For the Year ended 31-Mar-06 Rs.
<u>SOURCES OF FUNDS</u>	SCHEDULE		
SHAREHOLDERS FUNDS			
Share Capital	1	2,801,000	2,801,000
Reserves & Surplus	2	109,163,903	98,840,869
		111,964,903	101,641,869
LOAN FUNDS			
Unsecured Loans	3	9,019,411	8,769,411
		9,019,411	8,769,411
TOTAL:-		120,984,314	110,411,280
<u>APPLICATION OF FUNDS</u>			
FIXED ASSETS	4		
Gross Block		68,689,212	68,603,714
Less: Depreciation		44,284,298	41,502,687
Net Block		24,404,914	27,101,027
INVESTMENTS	5	6,400	106,400
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	6	24,370,130	22,692,091
Sundry Debtors	7	18,856,375	17,639,094
Cash & Bank Balances	8	51,824,990	43,330,545
Loans & Advances	9	37,114,146	42,756,491
		132,165,641	126,418,221
Less:			
CURRENT LIABILITIES AND PROVISIONS	10	33,244,362	40,560,098
		98,921,279	85,858,123
DEFERRED TAX LIABILITIES	11	(2,348,279)	(2,654,270)
		120,984,314	110,411,280
Notes on Accounts	18		

As per our report of even date
For **MAGANLAL & COMPANY**
Chartered Accountants
M.C.BHATT
Proprietor
MUMBAI:
DATED: 29TH June 2007

K.R.SHAH Chairperson & Managing Director
T.R.SHAH Jt. Managing Director
M.N.PATEL } Directors
S.R.AGARWAL }
R.A.RAICHUR }

R.J.Shah & Company Limited

Profit and Loss Account for the Year ended 31st March 2007

		For the Year ended 31-Mar-07 Rs.	For the Year ended 31-Mar-06 Rs.
<u>INCOME</u>	SCHEDULE		
Work Receipts		60,183,730	100,503,470
Other Income	12	8,681,076	5,964,895
Accretion/(decretion) in stock	13	4,132,239	10,093,855
TOTAL A:		72,997,045	116,562,220
<u>EXPENDITURE</u>			
Material consumed		18,180,717	46,250,285
Wages, salaries & Allowances	14	23,194,162	33,861,069
Other expenses & charges	15	10,280,812	11,218,250
Interest on loans	16	1,134,927	877,969
Depreciation	17	1,948,355	2,193,056
TOTAL B:		54,738,973	94,400,629
Profit before Taxation (A-B)		18,258,072	22,161,591
Provision for taxation			
(i) Current Tax	6,510,000		
(ii) Deferred Tax	(305,991)		
(iii) Fringe Benefit Tax	60,000	6,264,009	7,484,074
Profit after Taxation		11,994,063	14,677,517
Balance brought forward from Previous Year		7,113,947	6,532,814
Profit available for appropriation		19,108,010	21,210,331
APPROPRIATION			
Income tax of earlier years		18,516	(536)
Transfer to General Reserve		10,000,000	12,500,000
Proposed Dividend		700,250	1,400,500
Income tax on proposed Dividend		119,007	196,420
Balance carried to Balance Sheet		8,270,237	7,113,947
TOTAL		19,108,010	21,210,331
Basic and diluted earning per Share (Rs.)		42.82	52.40
(Refer Note No.16)			
Notes on Accounts	18		

As per our report of even date

For **MAGANLAL & COMPANY**

Chartered Accountants

M.C.BHATT

Proprietor

MUMBAI:

DATED: 29TH June 2007

K.R.SHAH

Chairperson & Managing Director

T.R.SHAH

Jt.Managing Director

M.N.PATEL } Directors

S.R.AGARWAL }

R.A.RAICHUR }

R.J.Shah & Company Limited
Schedules forming Part of Balance Sheet as at 31st March 2007

	For the Year ended 31-Mar-07 Rs.	For the Year ended 31-Mar-06 Rs.
SCHEDULE 1		
SHARE CAPITAL		
Authorised		
5,000,000 Equity Shares of Rs.10/- each	50,000,000	50,000,000
Issued,Subscribed and Paid up	50,000,000	50,000,000
280,100 Equity Shares of Rs.10/- each	2,801,000	2,801,000
SCHEDULE 2	2,801,000	2,801,000
RESEVES AND SURPLUS		
Capital Reserve		
As per last Balance Sheet	16,369,730	16,369,730
Revaluation Reserve		
As per last Balance Sheet	8,845,304	9,684,381
Less:		
Depreciation for the year on amount added on revaluation	(833,256)	(839,077)
General Reserve	8,012,048	8,845,304
As per last Balance sheet	66,511,888	54,011,888
Add: Transfer from Profit & Loss Account	10,000,000	12,500,000
	76,511,888	66,511,888
Profit as per Profit & Loss Account	8,270,237	7,113,947
SCHEDULE 3	109,163,903	98,840,869
UNSECURED LOANS		
Fixed Deposits		
From Directors	7,193,411	7,193,411
From Others	1,826,000	1,576,000
	9,019,411	8,769,411

Schedule 4 FIXED ASSETS AT COST/REVALUATION

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 31/03/2006 Rs.	Additions/ Adjustments Rs.	Sales/ Adjustment Rs.	As on 31/03/2007 Rs.	Up To 31/03/2006 Rs.	For The Year Rs.	On Sold Items Rs.	Up To 31/03/2007 Rs.	As on 31/03/2007 Rs.	As on 31/03/2006 Rs.
Leasehold Land	609,609	0	0	609,609	0	0	0	0	609,609	609,609
Building & Shed	28,437,673	0	0	28,437,673	16,848,960	1,011,930	0	17,860,890	10,576,783	11,588,713
Plant & Machinery	16,526,531	85,499	0	16,612,030	6,561,056	718,694	0	7,279,750	9,332,280	9,965,475
Traxcavators and Loaders	8,151,385	0	0	8,151,385	7,484,834	267,223	0	7,752,057	399,328	666,551
Installations	38,555	0	0	38,555	23,828	1,986	0	25,814	12,741	14,727
Dumpers -	10,409,883	0	0	10,409,883	7,589,519	589,275	0	8,178,794	2,231,089	2,820,364
Fixtures	1,119,238	0	0	1,119,238	644,280	32,902	0	677,182	442,056	474,958
Vehicles	3,134,763	0	0	3,134,763	2,262,145	151,449	0	2,413,594	721,169	872,618
Sci.Apparatus	153,676	0	0	153,676	67,265	6,551	0	73,816	79,860	86,411
Trademark	22,400	0	0	22,400	20,800	1,600	0	22,400	0	1,600
Total	68,603,713	85,499	0	68,689,212	41,502,687	2,781,611	0	44,284,298	24,404,914	27,101,025
Previous Year	67,855,319	1,067,826	319,431	68,603,714	38,748,943	3,032,133	278,389	41,502,687	27,101,027	

R.J.Shah & Company Limited
Schedules forming Part of Balance Sheet as at 31st March 2007

SCHEDULE 5	For the	For the
INVESTMENTS At Cost	Year ended	Year ended
NON-TRADE	31-Mar-07	31-Mar-06
Long Term Investments	Rs.	Rs.
Quoted:		
400 Equity shares of Union Bank of India of Rs.10/-each with premium of	6,400	6,400
Unquoted:		
20, 5.5 % Unsecured Redeemable Bonds of Rs.5000 each of ICICI Bank L	0	100,000
31.03.2007 31.03.2006	6,400	106,400
Book Value of quoted inv. 6400 6400		
Market value of quoted inv. 41,560 48,800		
Book value of unquoted inv. - 100,000		
SCHEDULE 6		
INVENTORIES		
(As valued and certified by the Managing Director)		
Consumable stores	6,630,643	9,084,843
Work in progress (valued and certified by the Managing Director)	17,739,487	13,607,248
SCHEDULE 7	24,370,130	22,692,091
SUNDRY DEBTORS (Unsecured considered good)		
More than 6 months	9,630,904	9,630,904
Others	9,225,471	8,008,190
SCHEDULE 8	18,856,375	17,639,094
CASH AND BANK BALANCES		
Cash on Hand	141,580	74,608
WITH SCHEDULED BANK		
In Current Accounts	7,593,841	9,255,583
In Unclaimed dividend accounts	208,814	180,791
In fixed Deposit Accounts(Rs.8635265 /-pledged with contractees,govt depts and Bank, PreviousYear Rs.9616263/-)	43,880,755	33,819,563
SCHEDULE 9	51,824,990	43,330,545
LOANS AND ADVANCES		
Advances (unsecured,Considered good)		
Advances recoverable in cash or kind or for value to be received.	7,514,379	7,685,925
Advance Income Tax (including TDS and FBT))	22,694,079	24,211,786
Security and other deposits	6,905,688	10,858,780
SCHEDULE 10	37,114,146	42,756,491
CURRENT LIABILITIES AND PROVISIONS		
A. CURRENT LIABILITIES		
Sundry Creditors	7,478,158	11,999,480
Managerial Remuneration Payable	643,376	704,292
Unclaimed dividend	207,657	182,492
	8,329,191	12,886,264
B. PROVISIONS		
For Taxation I/c FBT	22,550,000	24,601,000
For Retirement Benefits	1,545,914	1,475,914
For Proposed Dividend	700,250	1,400,500
For Income tax on proposed dividend	119,007	196,420
	24,915,171	27,673,834
TOTAL:	33,244,362	40,560,098

R.J.Shah & Company Limited
Schedules forming Part of Profit and Loss Account for the year ended on 31st March 2007

	For the Year ended 31/03/2007 Rs.	For the Year ended 31/03/2006 Rs.
SCHEDULE 11		
DEFERRED TAX		
Deferred Tax liability (Refer Note No: 6)	(2,348,279)	(2,654,270)
TOTAL:	(2,348,279)	(2,654,270)
SCHEDULE 12		
OTHER INCOME		
Income from investments :		
i.Dividend	2000	
ii.Interest(incl TDS Rs.1153,Pre. Year Rs.1234)	5138	
Interest On Bank Deposits(including TDS Rs 500779 Previous Year Rs 389041)	7,138	6,100
Interest from others(including TDS Rs.329535 Pre Year Rs.74544))	2,425,953	1,431,634
Warehousing Income	1,473,442	356,506
Profit/(loss) on sale of Fixed Assets	4,162,569	2,845,277
Miscellaneous Receipts	151,265	1,174,113
SCHEDULE 13	611,974	1,174,113
Accretion/(Decretion) In Stock	8,681,076	5,964,895
Work In Progress:		
Closing Work in Progress	17,739,487	13,607,248
Less:Opening Work In Progress	(13,607,248)	(3,513,393)
SCHEDULE 14	4,132,239	10,093,855
WAGES,SALARIES AND ALLOWANCES		
Wages including payment to sub-contractors	19,329,448	29,555,227
Salaries,Bonus and Gratuity and other benefits	2,321,887	2,584,255
Retainer charges	731,001	636,154
Staff Welfare Expenses	242,332	437,225
Contribution to Provident Fund & other Funds	569,494	648,208
SCHEDULE 15	23,194,162	33,861,069
OTHER EXPENSES AND CHARGES		
Electric Energy	409,131	583,430
Freight & Cartage	636,618	1,482,899
Legal & Professional Charges	1,454,973	1,551,513
Machinery Hire Charge	928,263	281,700
Repairs to Machinery	267,827	192,265
Repairs to Building	239,955	729,410
Insurance	459,236	617,293
Rent,Rates & Taxes	724,084	612,151
Office Expenses	941,178	1,092,590
Printing & Stationary	110,694	102,997
Conveyance Expenses	300,248	456,139
Electricity charges	420,848	375,477
Telephone Expenses	203,006	177,697
Motor Car Expenses	141,654	202,072
General Expenses	122,670	219,826
Travelling Expenses(including Rs.18480 to Directors-Previous Year Rs:nil)	95,426	168,221
Director's Meeting Fees	33,000	24,000
VAT	120	30
Service Tax	501,768	160,241
Payment to Auditors:		
Audit Fees	47,191	44,896
Tax Audit Fees	11,224	11,020
Other Services	31,762	25,591
Remuneration to Directors	2,199,936	2,105,292
Donation	1,500	1,500
	10,280,812	11,218,250

R.J.Shah & Company Limited

Schedules forming Part of Profit and Loss Account for the year ended on 31st March 2007

	For the Year ended 31/03/2007 Rs.	For the Year ended 31/03/2006 Rs.
SCHEDULE 16		
INTEREST ON LOANS		
Directors	791,276	729,231
Others	343,651	148,738
	1,134,927	877,969
SCHEDULE 17		
DEPRECIATION		
Depreciation for the year	2,781,611	3,032,133
Less: Transfer from revaluation reserve	833,256	839,077
	1,948,355	2,193,056

Schedule forming Part of Accounts for the Year ended 31st March 2007

SCHEDULE 18

1. Significant Accounting Policies:-

(i) Revenue Recognition:-

The works contracts are evaluated at the end of each year on stage completion method.. On contracts under execution , revenue is recognised by evaluation of the work completed at the end of the accounting year .The claims (including escalations) which in the opinion of the management are recoverable on the contract are recognised at the time of evaluation of the work.

Various claims, arbitration matters raised by the company are subject to negotiations or redetermination. Claims made in respect thereof are accounted as income in the year of receipt of Arbitration Award and/or acceptance by Client or evidence of acceptance received from the Client.

(ii) Valuation of Fixed Assets:-Fixed Assets are valued at cost. In respect of assets scrapped,discarded the book value of such assets after deduction of estimated value is written off as loss .The receipts on sale of assets are accounted for as and when realised

(iii) Depreciation:-Depreciation of Fixed Assets has been provided on straight line method as per Section 205(2)(b) of the Companies Act,1956 for pro rata period for which the asset is put to use as under:-

a)In respect of assets acquired upto 1.4.1987 on straight line method as per Circular No.1/86 dated 21.05.1986 issued by the Department of Company affairs.

b)In respect of assets acquired from 2nd April 1987 onwards at straight line method at the rates and in the manner specified in Schedule XIV of the Companies Act.

(iv) Borrowing Cost:-The borrowing costs that are attributable to the acquisition,construction or production of qualifying assets are capitalised as part of cost of such assets.A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sell.All other borrowing costs are recognised as an expense in the period in, which they are incurred.

(v) Valuation of Inventories:-

(a) Materials and consumable stores are valued at lower of cost or net realisable value.The cost is worked out on F I F O basis.

(b)Work in progress is valued at contract rate and/or at realisable value.

(vi) Foreign Currency transactions:-The payment for expenditure in foreign currency has been accounted for at exchange rate on the date of payment.

(vii) Retirement Benefits:-Retirement benefits including gratuity and leave salary are provided in the accounts on accrual basis.

(viii) Investments :-Investments are stated at cost.

(ix) Research and development :-Capital expenditure on this account are shown as additions to fixed assets.

(x) Income Tax:

(a)Provision is made for income tax liability, which is likely to arise on the results for the year at the current rate of tax in accordance with provisions of The Income Tax Act,1961.

(b)Deferred income tax is provided ,using the liability method , on all temporary differences at the Balance Sheet date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

(c)Deferred tax assets are recognised on unabsorbed depreciation only to the extent that there is virtual certainty of their realisation.

(d)Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or subsequently enacted at the Balance Sheet level.

R.J.Shah & Company Limited
Schedule forming Part of Accounts for the Year ended 31st March 2007

	For the Year ended 31/03/2007 Rs.	For the Year ended 31/03/2006 Rs.
2.CONTINGENT LIABILITIES		
A.In respect of guarantees given to Project Authorities by Bank and counter guaranteed by the Company	2,786,700	2,786,700
B.Claims against Company not acknowledged as debts	2,089,100	890,600
C.In respect of Income Tax pending Rectification:	NIL	53,234
3.MANAGERIAL REMUNERATION: (Excluding contribution to Gratuity Fund,provision for leave encashment on retirement and other retirement benefits) paid /payable to Directors.	31/03/2007	31/03/2006
Managing & Joint Managing Director		
Salary:-	1,658,000	1,490,000
Contribution to P.F.	138,800	149,000
Commission to Managing Director and Joint.Managing Director*	411,936	485,292
Commission to Non Executive Directors *	130,000	130,000
(* Includes commission subject to shareholders approval.)	2,338,736	2,254,292

STATEMENT SHOWING THE COMPUTATION OF NET PROFIT IN ACCORDANCE WITH SECTION 198(1) OF THE COMPANIES ACT,1956.

	31/03/2007 Amount in Rs.	31/03/2006 Amount in Rs.
Profit before tax As per P & L A/C	18,258,072	22,161,591
Add:		
Provision for depreciation:	1,948,355	2,193,056
Remuneration to Directors	2,338,736	2,254,292
Total A	4,287,091	4,447,348
	22,545,163	26,608,939
Less: Depreciation u/s 350 of the Companies Act,1956.	-1,948,355	-2,193,056
Profit on sale of fixed assets	0	-151,265
Total B	1,948,355	2,344,321
Profit as per Section 349 of the Companies Act,1956 (A - B)	20,596,808	24,264,618
Commission payable to Managing Director/ joint Managing Director as per section 198 & 309 of the Companies Act,1956.	411,936	485,292

4. The Company has a single segment namely "Engineering & Construction ". Therefore the Company's business does not fall under different business segments as defined by AS-17 "segment reporting" issued by ICAI.

5.Disclosure in accordance with Accounting Standard - 7(Revised)- amount due from / to customers on construction contracts:

	Rs. 31-03-2007	Rs. 31-03-2006
Contract Revenue :	16509930	36477032
Contract costs incurred	6260056	35223983
Recognised Profits / Losses	10249874	1253049
Advances Received	0	0
Retention Money	0	0
Gross Amount due from Customer for Contract Work	5237964	3670872
Gross Amount due to Customer for Contract Work	428318	172472

Note: The above information is given only in respect of contracts entered into on or after 1.04.2003.

6. The Company has accounted for Deferred Tax in accordance with Accounting Standard 22"Accounting for Taxes on Income issued by the Institute of Chartered Accountants of India. Consequently the Company has credited Deferred Tax Assets of Rs.3,05,991 previous Year Rs.(330,926) to the Profit and Loss Account.The year end position of deferred Tax Assets and (Liabilities) are attributed to the following items:-

R.J.Shah & Company Limited
Schedule forming Part of Accounts for the Year ended 31st March 2007

Items	Deferred tax liabilities) as at 31/3/2006 Rs.	Current year (Charge)/ Credit Rs.	Deferred tax sstes/(liabilities) as at 31/3/2007 Rs.
Difference between block and tax depreciation	(3,041,096)	275,961	(2,765,135)
Retirement benefits - gratuity	290,911		290,911
Provision for Unencashed leave	95,915	30,030	125,945
	(2,654,270)	305,991	(2,348,279)

7. The machineries of the value approximately Rs.18.49 lakhs are in possession of the Executive Engineer , Kakkad Hydro Electric Project under Kerala State Electricity Board. The Company's claim in respect of these Machineries is pending with Authority.

8. The depreciation is charged in profit & loss account on the revaluation amount of assets where applicable . The excess depreciation so charged in accounts over & above the depreciation calculated on the original cost of assets for the year ended 31.03.2007. An amount equivalent to the excess charged has been transferred to profit & loss account from revaluation reserve account.

9.Sundry Creditors Rs. 7478158 (Pre. Year Rs. 11999840) includes Trade Deposit of Rs. 2478150 (Pre.Year 2136480)

10. Legal & Professional fees Rs.1454973 includes payment made to Directors Rs. 48000 in their professional capacity.

11.The accrued liability of gratuity and leave salary have been provided for as certified by Managing Director.

12. In the opinion of the Board,the Current Assets,Loans and Advances are approximately of the value stated , if realised in the ordinary course of business . The provision for all known liabilities are adequate and not in excess of the amounts considered reasonably necessary. There are no contingent liabilities other than those stated in the notes.

13.The taxation liability has been provided in the books on the basis that the obligations for payments to be made u/s 43 B of Income Tax Act,1961 will be fulfilled by the management before the due date of filing return of income under the Act.

14. The information regarding suppliers also holding permanant registration certificate as an Ancilliary Industrial Undertaking or a Small Scale Industrial Undertaking issued by the Directors of Industries of State or Union territory is not available from relevent parties.In the absence of such information the amount and interest due as per the interest on delayed payment to Small and Ancilliary Industries Act,1993 is not ascertainable.

15. Related Parties disclosures.

I. Relationship:

(a) Other Related parties where control exists: Kalindi Engineering Industries (P)Ltd. and Rajendra Shipping (P)Ltd.

(b) Key Managerial Personnel:

Kalindi R.Shah - Managing Director, Tejaswini R.Shah -Joint Managing Director

(c) Relative of Key Management Personnel : Shri Rajendra J.Shah - Relative of Managing Director.

Note: Related party relationship is as identified by the Company and relied by Auditors.

R.J.Shah & Company Limited
Schedule forming Part of Accounts for the Year ended 31st March 2007

Nature of transaction	Related Parties		
	Referred in 1(a) above Rs.	Referred in 1(b) above Rs.	Referred in 1(c) above Rs.
Expenses			
Service/labour charges	2801279 (2703004)	0	
Lease Rent received	-		
Remuneration		2199936 (2105292)	96000 (96000)
Interest paid	102356 (59271)	791276 (729231)	96360 (89466)
Sitting Fees			8000 (8000)
Outstanding Loans received	950000 (700000)	7193411 (7193411)	876000 (876000)
Balance Payable	261460 (717546)		
Loans/Deposits (received)	250000 (400000)	2000000 (2250000)	- (-)
or repaid during the year	- (-)	2000000 (1350000)	- (-)
16. Earning per Share		As at	As at
Particulars		31/03/2007	31/03/2006
Profit after Taxation as per profit and loss account		11,994,063	14,677,517
Weighted Average number of		280,100	280,100
Equity Shares outstanding			
Basic and diluted earning		42.82	52.40
per share(Face value -Rs. 10/- per share)			

17.The balance of sundry debtors, loans and advances, unsecured loans and sundry creditors as on 31st March 2007 are subject to confirmation.

18.Additional information as required under Part II of Schedule VI of the Companies Act,1956 to the extent relevant.

Class of Goods Units Installed (p.a.)

Mineral water Ltrs 60 Lacs

The Company has not carried out any manufacturing activity during the year and also in previous year. Therefore quantitative details of raw material consumed , production during the year and closing stock of finished goods are not given.

19 Previous year's figures are recast and regrouped wherever necessary to make them comparable.

20. Consumption of Materials:		For the Year ended			
	31.03.2007			31.03.2006	
Stores and Spares	Rs.	%age	Rs.	%age	
Indegenous	17680717	100	23075549	100	
Imported	nil		nil		
Other Materials	Rs.	%age	Rs.	%age	
Indegenous	500000	100	23174736		
Imported	nil		nil		
21 Expenditure in Foreign Currency:-		For the Year Ended			
			31-3-2007		31-3-2006
Subsription,books &			Rs.		Rs.
Periodicals			NIL		NIL

R.J.Shah & Company Limited
Schedule forming Part of Accounts for the Year ended 31st March 2007

22 Balance Sheet Abstract and Company's Business Profile:-

I. Registration Details:-	
Registration Number	10986
State Code	11
Balance Sheet Date	31-Mar-07
II. Capital Raised during the Year :-	
	Rs. in Thousands
Public Issue	NIL
Rights Issue	NIL
Bonus Issue	NIL
Private Placement	NIL
III. Position of mobilisation and Deployment of Funds:-	
	Rs. in Thousands
Total Liabilities	120,984
Total Assets	120,984
Source Of Funds:-	
Paid up Capital	2,801
Reserves & Surplus	109,164
Secured Loans	0
Unsecured Loans	9,020
Application of Funds:-	
Net Fixed Assets	24,405
Investments	6
Net Current Assets	98,921
Deferred Tax Liabilities	(2,348)
Accumulated Losses	0
IV Performance of the Company :-	
Turnover (i/c other income)	72,997
Total Expenditure	54,739
Profit/loss before tax	18,258
Profit/loss after tax	11,994
Earning per Share (Rs.)	42.82
Dividend Rate	25%
V Generic Names of Principal Products, Services of the Company :-	
Item Code No:	
Product Description	Civil Engineering construction of Projects
Item Code No:	N.A.
Product Description	220112

As per our report of even date

For MAGANLAL & COMPANY

Chartered Accountants

M.C.BHATT

Proprietor

MUMBAI:

DATED: 29TH June 2007

K.R.SHAH

Chairperson & Managing Director

T.R.SHAH

Jt.Managing Director

M.N.PATEL } Directors

S.R.AGARWAL }

R.A.RAICHUR }

R.J.Shah & Company Limited
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2007 PURSUANT TO CLAUSE 32 OF
LISTING AGREEMENT

	For Year Ended 31/03/2007	For Year Ended 31/03/2006
A. CASH FLOW FROM OPERATING ACTIVITIES :-		
Net Profit before Tax	18,258,072	22,161,591
Adjusted for :		
Depreciation	1,948,355	2,193,056
Profit on sale of Fixed Assets	0	(151,265)
Income from Investments	(7,138)	(6,100)
Interest paid/payable on loans	1,134,927	877,969
Interest received/receivable	(3,899,395)	(1,788,140)
Advance tax/tds(Net of refunds)	(7,347,339)	(7,316,043)
Operating profit before working capital changes	(8,170,590)	(6,190,523)
Adjustments for :	10,087,482	15,971,068
Trade & other receivables	3,340,553	8,837,540
Inventories	(1,678,039)	(17,698,959)
Trade payables	(4,483,127)	1,791,034
	(2,820,613)	(7,070,385)
Cash generated from operations	7,266,869	8,900,683
Interest paid	(1,134,927)	0
NET CASH FROM OPERATING ACTIVITIES	6,131,942	8,900,683
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets	(85,499)	(1,067,826)
Sale of fixed assets	0	192,308
Sale of investments	100,000	0
Purchase of Investments	0	0
Interest received from investments	7,138	6,100
others	3,466,199	2,012,811
NET USED IN INVESTING ACTIVITIES	3,487,838	1,143,393
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from :		
Short term borrowing	2,250,000	2750000
Repayment of Short Term borrowing	(2,000,000)	(1350000)
Dividend paid	(1,375,335)	(1357485)
NET CASH USED IN FINANCING ACTIVITIES	(1,125,335)	42,515
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	8,494,445	10,086,591
Opening cash & cash equivalents	43,330,545	34,121,923
Closing cash & cash equivalents	51,824,990	43,330,545
This is the Cash Flow Statement referred to in our report of even date.		
For MAGANLAL & COMPANY	K.R.SHAH	Chairperson & Managing Director
Chartered Accountants	T.R.SHAH	Jt.Managing Director
M.C.BHATT		
Proprietor	M.N.PATEL }	Directors
MUMBAI:	R.AGARWAL }	
DATED: 29TH June 2007	R.A.RAICHUI }	

R. J. SHAH & COMPANY LIMITED

Registered Office : Mahul Road, Antop Hill, Mumbai – 400 037

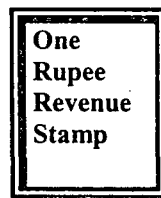
PROXY

I/We-----

of -----in the district
of -----being a
Member/Members of the above named Company hereby appoint-----

of -----in the district of-----
-----or failing
him -----
-----of-----in the district of-----
-----as my/our
proxy to vote for me/us on my/our behalf, at the Annual General Meeting of the Company, to be
held on the 27th day of September , 2007and at any adjournment thereof.

Signed this-----day of-----2007



THIS ATTENDANCE SLIP DULY FILLED IN TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL

Name of the attending Member (in Block Letters)-----

-----Member's Folio Number-----
-----Name of Proxy (in Block Letters, to
be filled in if the Proxy attends instead of the Members)-----
No. of Shares held-----

I hereby record my presence at the 49th Annual General Meeting at the Registered Office of the
Company at Mahul Road, Antop Hill, Mumbai 400 037 to be held on Thursday, the 27th
September 2007 at 4.00 P.M.

Member's/Proxy's Signature *

* To be signed at the time of handing over this slip.