



ENGINEERS
&
CONTRACTORS

R. J. SHAH & COMPANY LIMITED

50TH ANNUAL REPORT

2007-2008

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 **50th ANNUAL GENERAL MEETING** of the members of **R. J. SHAH & COMPANY LIMITED** will be held on Thursday the 25th September, 2008 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, 2008, 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 Dr. M. N. Patel, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors for the current year and fix their remuneration.

SPECIAL BUSINESS

5. To Consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:-

“RESOLVED THAT pursuant to Section 198 / 309 and other applicable provisions, if any of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and subject to necessary approvals required if any, the Company both 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, 2008.”

6. To Consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:-

“RESOLVED THAT pursuant to Section 198 / 309 and other applicable provisions, if any of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and subject to necessary approvals required if any, the Company doth hereby approve of and consent to the payment and distribution thereof a sum of Rs.1,50,000/- 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, 2008.”

NOTES

1. A Member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself / herself and such proxy need not be a member of the Company.
2. The Dividend when declared will be payable on or before the 25th October, 2008 to those shareholders whose names appear on the Register of Members as on 25th September, 2008.
3. The Register of Members and Share Transfer Books of the Company will remain closed from the Thursday the 18th September, 2008 to Thursday 25th September, 2008 (both days inclusive)
4. The Company has transferred unpaid dividend for the year ended 31st March, 2001 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 43rd Dividend for the year ended 31st March, 2001 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 2000-2001 declared on 28th September, 2001 will be transferred to the said Account of Central Government after 7-11-2008. No claim will lie from a member once the transfer is made to the said account. Members who have not encashed their dividend warrants are requested to encash the same before the said transfer in their own interest.
7. Members are requested to notify immediately any change in their address to the Company.

MUMBAI
DATED: 30 JUN 2008
REGISTERED OFFICE
Mahul Road, Antop Hill,
Mumbai – 400 037.

By Order of the Board
K. R. SHAH

Sd/-
Chairperson & Managing Director

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 ANNEXED TO AND FORMING PART OF THE NOTICE

ITEM NO. 5

Section 198/309 of the Companies Act, 1956 permits 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, 2008, 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. 6

Section 198 /309 of the Companies Act, 1956 permits payment of Commission to the Directors who are not in the whole time employment of the Company up to a maximum of one percent of the net profit of the Company which has a Managing Director or whole time Director to be computed in the manner referred to in Section 198 of the Act. The Company feels that with the increasing responsibilities in the ever changing business scenario, it is felt that the Non-Executive Directors also be suitably compensated for their contribution from time to time. Therefore, the Company desires to pay an amount Rs. 1,50,000/- 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: 30 JUN 2008
REGISTERED OFFICE
Mahul Road, Antop Hill,
Mumbai – 400 037.

By Order of the Board
K. R. SHAH

Sd/-
Chairperson & Managing Director

DIRECTORS' REPORT
2007-2008

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

The Directors have pleasure in submitting their 50th ANNUAL REPORT along with the Audited Balance Sheet and Profit & Loss Account for the year ended 31st March, 2008.

1. FINANCIAL RESULTS

	Current Year Rs.	Previous Year Rs.
Profit before Deprecation and provision for taxation	2,21,50,328	2,02,06,427
(-) Deprecation	16,78,389	19,48,355
TOTAL	2,04,71,939	1,82,58,072
(-) Provision for Taxation	68,34,496	62,64,009
	1,36,37,443	1,19,94,063
(+) Balance profit brought forward from previous year	82,70,237	71,13,947
Amount available for Appropriations	2,19,07,680	1,91,08,010
Less: Appropriation:		
Income Tax Earlier Years	1,39,951	18,516
Proposed Dividend	7,00,250	7,00,250
Tax on Proposed Dividend	1,19,007	1,19,007
Transfer to General Reserve	1,00,00,000	1,00,00,000
Balance carried to Balance Sheet	1,09,48,472	82,70,237
	2,19,07,680	1,91,08,010

2. DIVIDEND

Your Directors are pleased to recommend payment of Dividend @ 25% (Previous Year 25%) for the year ended 31st March, 2008.

3. REVIEW OF OPERATIONS

The Company has secured further civil works with penstock, fabrication & erection works in Private Sector for Suman Sarvari Hydro Electric Project near Kulu in Himachal Pradesh & Neera Deogarh Hydro Electric Project near Pune in Maharashtra totaling to about more than about 15 Crores. Further securing works in progress.

4. INSURANCE

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

5. CORPORATE GOVERNANCE

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

6. DIRECTORS

Under Article No. 45 (d) of the Articles of Association, Dr. M. n. Patel retires by rotation at the ensuing Annual General Meeting and being eligible offers 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, 2008, 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, 2008 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 2008-09.

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: 30 JUN 2008
REGISTERED OFFICE
Mahul Road, Antop Hill,
Mumbai - 400 037.

By Order of the Board

K.R. SHAH
Sd/-
Chairperson & Managing Director

AUDITOR'S REPORT

The Members of

R.J. SHAH & COMPANY LIMITED

Report of the accounts for the year ended 31st March, 2008 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, 2008 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 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, 2008, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2008 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, 2008;
 - 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 : 30TH JUNE 2008

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 2008 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 has maintained 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 and fifty thousand and the year end balance of loans taken from such parties was Rs. 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 are 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 the internal controls system.
- 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, 2008 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 : 30TH June 2008

MEMBERSHIP NUMBER 14092

**FOR MAGANLAL & COMPANY
CHARTERED ACCOUNTANTS**

(MUKESH C. BHATT)

PROPRIETOR

R.J.Shah & Company Limited
Balance Sheet as at 31st March 2008

SOURCES OF FUNDS	SCHEDULE	For the Year ended 31-Mar-08 Rs.	For the Year ended 31-Mar-07 Rs.
SHAREHOLDERS FUNDS			
Share Capital	1	2,801,000	2,801,000
Reserves & Surplus	2	121,008,881	109,163,903
		123,809,881	111,964,903
LOAN FUNDS			
Unsecured Loans	3	8,719,411	9,019,411
		8,719,411	9,019,411
TOTAL:-		132,529,292	120,984,314
APPLICATION OF FUNDS			
FIXED ASSETS	4		
Gross Block		74,774,623	68,689,212
Less: Depreciation		45,954,232	44,284,298
Net Block		28,820,391	24,404,914
INVESTMENTS	5	6,400	6,400
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	6	37,609,764	24,370,130
Sundry Debtors	7	18,265,130	18,856,375
Cash & Bank Balances	8	56,153,343	51,824,990
Loans & Advances	9	37,006,336	37,114,146
		149,034,573	132,165,641
Less:			
CURRENT LIABILITIES AND PROVISIONS	10	43,029,296	33,244,362
		106,005,277	98,921,279
DEFERRED TAX LIABILITIES	11	(2,302,775)	(2,348,279)
		132,529,293	120,984,314
Notes on Accounts	18		

As per our report of even date
For MAGANLAL & COMPANY
Chartered Accountants
M.C.BHATT
Proprietor
MUMBAI:
DATED: 30TH June 2008

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 2008

		For the Year ended 31-Mar-08 Rs.	For the Year ended 31-Mar-07 Rs.
<u>INCOME</u>	SCHEDULE		
Work Receipts		16,095,388	60,183,730
Other Income	12	16,164,009	8,681,076
Accretion/(decretion) in stock	13	13,282,796	4,132,239
TOTAL A:		45,542,193	72,997,045
<u>EXPENDITURE</u>			
Material consumed		3,792,773	18,180,717
Wages,salaries & Allowances	14	10,808,852	23,194,162
Other expenses & charges	15	7,800,137	10,280,812
Interest on loans	16	990,103	1,134,927
Depreciation	17	1,678,389	1,948,355
TOTAL B:		25,070,254	54,738,973
Profit before Taxation (A-B)		20,471,939	18,258,072
Provision for taxation			
(i) Current Tax	6,840,000		
(ii) Deferred Tax	(45,504)		
(iii) Fringe Benefit Tax	40,000	6,834,496	6,264,009
Profit after Taxation		13,637,443	11,994,063
Balance brought forward from Previous Year		8,270,237	7,113,947
Profit available for appropriation		21,907,680	19,108,010
APPROPRIATION			
Income tax of earlier years		139,951	18,516
Transfer to General Reserve		10,000,000	10,000,000
Proposed Dividend		700,250	700,250
Income tax on proposed Dividend		119,007	119,007
Balance carried to Balance Sheet		10,948,471	8,270,237
TOTAL		21,907,680	19,108,010
Basic and diluted earning per Share (Rs.)		48.69	42.82
(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: 30TH June 2008

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 2008

	For the Year ended 31-Mar-08 Rs.	For the Year ended 31-Mar-07 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
	2,801,000	2,801,000
SCHEDULE 2		
RESEVES AND SURPLUS		
Capital Reserve		
As per last Balance Sheet	16,369,730	16,369,730
Revaluation Reserve		
As per last Balance Sheet	8,012,048	8,845,304
Less:		
Depreciation for the year on amount added on revaluation	(833,256)	(833,256)
General Reserve	7,178,792	8,012,048
As per last Balance sheet	76,511,888	66,511,888
Add: Transfer from Profit & Loss Account	10,000,000	10,000,000
	86,511,888	76,511,888
Profit as per Profit & Loss Account	10,948,471	8,270,237
	121,008,881	109,163,903
SCHEDULE 3		
UNSECURED LOANS		
Fixed Deposits		
From Directors	7,793,411	7,193,411
From Others	926,000	1,826,000
	8,719,411	9,019,411

Schedule 4 FIXED ASSETS AT COST/REVALUATION

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 31/03/2007 Rs.	Additions/ Adjustments Rs.	Sales/ Adjustment Rs.	As on 31/03/2008 Rs.	Up To 31/03/2007 Rs.	For The Year Rs.	On Sold Items Rs.	Up To 31/03/2008 Rs.	As on 31/03/2008 Rs.	As on 31/03/2007 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	17,860,890	1,011,930	0	18,872,820	9,564,853	10,576,783
Plant & Machinery	16,612,030	4,731,628	0	21,343,658	7,279,750	811,766	0	8,091,516	13,252,142	9,332,280
Traxcavators and Loaders	8,151,385	0	0	8,151,385	7,752,057	0	0	7,752,057	399,328	399,328
Installations	38,555	0	0	38,555	25,814	1,986	0	27,800	10,755	12,741
Dumpers	10,409,883	983,084	886,013	10,506,954	8,178,795	510,529	841,711	7,847,613	2,659,341	2,231,088
Fixtures	1,119,238	0	0	1,119,238	677,182	32,444	0	709,626	409,612	442,056
Vehicles	3,134,763	666,633	0	3,801,396	2,413,594	133,189	0	2,546,783	1,254,613	721,169
Sci.Apparatus	153,676	392,739	0	546,415	73,816	9,801	0	83,617	462,798	79,860
Trademark	22,400	0	0	22,400	22,400	0	0	22,400	0	0
Dumpers awaiting Installation	0	197,340	0	197,340	0	0	0	0	197,340	0
Total	68,689,212	6,971,424	886,013	74,774,623	44,284,298	2,511,645	841,711	45,954,232	28,820,391	24,404,914
Previous Year	68,603,713	85,499	0	68,689,212	41,502,687	2,781,611	0	44,284,298	24,404,914	

R.J.Shah & Company Limited

Schedules forming Part of Balance Sheet as at 31st March 2008INVESTMENTS At CostBook Value of quoted inv.

Market value of quoted inv.

(As valued and certified by the Managing Director)

Work in progress (valued and certified by the Managing Director)

SUNDRY DEBTORS (Unsecured considered good)

More than 6 months

Cash on Hand

CASH AND BANK BALANCES

WITH SCHEDULED BANK

In Current Accounts

LOANS AND ADVANCES

Advances (unsecured, Considered good)

Advances recoverable in cash or kind or for value to be received.

SCHEDULE 16

CURRENT LIABILITIES AND PROVISION

A. CURRENT LIABILITIES

Sundry Creditors

Advance & Deposits

Managerial Remuneration Payable

Unclaimed dividend

For Taxation I/c FBT

For Taxation I/c FBT

For Retirement Benefits

For Proposed Dividend

For Income tax on proposed dividend

TOTAL:

R.J.Shah & Company Limited
Schedules forming Part of Profit and Loss Account for the year ended on 31st March 2008

	For the Year ended 31/03/2008 Rs.	For the Year ended 31/03/2007 Rs.
SCHEDULE 11		
DEFERRED TAX		
Deferred Tax liability (Refer Note No: 6)	(2,302,775)	(2,348,279)
TOTAL:	(2,302,775)	(2,348,279)
SCHEDULE 12		
OTHER INCOME		
Income from investments :		
i.Dividend	800	2000
ii.Interest(incl TDS Rs.nil ,Pre.Year Rs.1153)	0	5,138
Interest On Bank Deposits(including TDS Rs 643984 Previous Year Rs 500779)	2,718,402	2,425,953
Interest from others(including TDS Rs.1785819 Pre Year Rs.329535))	7,960,182	1,473,442
Warehousing Income	4,319,095	4,162,569
Profit/(loss) on sale of Fixed Assets	484,045	0
Miscellaneous Receipts	681,485	611,974
SCHEDULE 13	16,164,009	8,681,076
Accretion/(Decretion) In Stock		
Work In Progress:		
Closing Work in Progress	31,022,283	17,739,487
Less:Opening Work In Progress	(17,739,487)	(13,607,248)
SCHEDULE 14	13,282,796	4,132,239
WAGES,SALARIES AND ALLOWANCES		
Wages including payment to sub-contractors	7,805,696	19,329,448
Salaries,Bonus and Gratuity and other benefits	1,693,137	2,321,887
Retainer charges	851,149	731,001
Staff Welfare Expenses	118,167	242,332
Contribution to Provident Fund & other Funds	340,703	569,494
SCHEDULE 15	10,808,852	23,194,162
OTHER EXPENSES AND CHARGES		
Electric Energy	0	409,131
Freight & Cartage	540,185	636,618
Legal & Professional Charges	1,285,163	1,454,973
Machinery Hire Charge	0	928,263
Repairs to Machinery	49,389	267,827
Repairs to Building	134,067	239,955
Insurance	319,452	459,236
Rent,Rates & Taxes	633,762	724,084
Office Expenses	748,892	941,178
Printing & Stationary	104,476	110,694
Conveyance Expenses	239,386	300,248
Electricity charges	328,955	420,848
Telephone Expenses	173,027	203,006
Motor Car Expenses	28,821	141,654
General Expenses	108,290	122,670
Travelling Expenses(including Rs.51887 to Directors-Previous Year Rs.18480)	152,323	95,426
Director's Meeting Fees	30,000	33,000
VAT	60	120
Service Tax	290,390	501,768
Payment to Auditors:		
Audit Fees	47,191	47,191
Tax Audit Fees	11,236	11,224
Other Services	36,899	31,762
Remuneration to Directors	2,538,173	2,199,936
	7,800,137	10,280,812

R.J.Shah & Company Limited
Schedules forming Part of Profit and Loss Account for the year ended on 31st March 2008

	For the Year ended 31/03/2008 Rs.	For the Year ended 31/03/2007 Rs.
SCHEDULE 16		
INTEREST ON LOANS		
Directors	793,988	791,276
Others	196,115	343,651
	990,103	1,134,927
SCHEDULE 17		
DEPRECIATION		
Depreciation for the year	2,511,645	2,781,611
Less: Tranfer from revaluation reserve	833,256	833,256
	1,678,389	1,948,355

Schedule forming Part of Accounts for the Year ended 31st March 2008

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 bythe 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 developement :-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 2008

2.CONTINGENT LIABILITIES	For the Year ended 31/03/2008 Rs.	For the Year ended 31/03/2007 Rs.
A.In respect of guarantees given to Project Authorities by Bank and counter guaranteed by the Company	6,470,000	2,786,700
B.Claims against Company not acknowledged as debts	4,196,718	2,089,100

3.MANAGERIAL REMUNERATION: (Excluding contribution to Gratuity Fund,provision for leave encashment on retirement and other retirement benefits) paid /payable to Directors.

	31/03/2008	31/03/2007
Managing & Joint Managing Director		
Salary:-	1,936,000	1,658,000
Contribution to P.F.	82,600	138,800
Commission to Managing Director and Joint.Managing Director*	452,173	411,936
Commission to Non Executive Directors *	150,000	130,000
	<u>2,620,773</u>	<u>2,338,736</u>

(* Includes commission subject to shareholders approval.)

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

	31/03/2008 Amount in Rs.	31/03/2007 Amount in Rs.
Profit before tax As per P & L A/C	20,471,939	18,258,072
Add:		
Provision for depreciation:	1,678,389	1,948,355
Remuneration to Directors	2,620,773	2,338,736
Total A	<u>24,771,101</u>	<u>22,545,163</u>
Less: Depreciation u/s 350 of the Companies Act,1956.	-1,678,389	-1,948,355
Profit on sale of fixed assets	-484,045	0
Total B	<u>2,162,434</u>	<u>1,948,355</u>
Profit as per Section 349 of the Companies Act,1956 (A - B)	22,608,667	20,596,808
Commission payable to Managing Director/ Joint Managing Director as per section 198 & 309 of the Companies Act,1956.	452,173	411,936

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. 31-03-2008	Rs. 31-03-2007
Contract Revenue :	17096756	16509930
Contract costs incurred	8881620	6260056
Recognised Profits / Losses	8215136	10249874
Advances Received	7000000	0
Retention Money	0	0
Gross Amount due from Customer for Contract Work	0	5237964
Gross Amount due to Customer for Contract Work	1511125	428318

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.45,504 previous Year Rs.(305,991) 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 2008

Items	Deferred tax liabilities) as at 31/3/2007 Rs.	Current year (Charge)/ Credit Rs.	Deferred tax Asstes/(liabilities) as at 31/3/2008 Rs.
Diference between block and tax depreciation	(2,765,135)	21,711	(2,743,424)
Retirement benefits	416,856	23,793	440,649
	(2,348,279)	45,504	(2,302,775)

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 31.03.2008. An amount equivalent to the excess charged has been transferred to profit & loss account from revaluation reserve account.

9.No depreciation is provided on addition to Dumpers of Rs.197340 as the same is not put to use during the year under review.

10. Legal & Professional fees Rs.1285163 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 2008

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	1230495 (2801279)	0	
Remuneration		2474373 (2199936)	160000 (96000)
Interest paid	95482 (102356)	793988 (791276)	96361 (96360)
Sitting Fees			4000 (8000)
Outstanding Loans received	50000 (950000)	7793411 (7193411)	876000 (876000)
Balance Payable	558451 (261460)		
Loans/Deposits (received)	nil (250000)	1100000 (2000000)	- (-)
or repaid during the year	900000 (-)	500000 (2000000)	- (-)

16. Earning per Share

Particulars	As at 31/03/2008	As at 31/03/2007
Profit after Taxation as per profit and loss account	13,637,443	11,994,063
Weighted Average number of Equity Shares outstanding	280,100	280,100
Basic and diluted earning per share(Face value -Rs. 10/- per share)	48.69	42.82

17.The balance of sundry debtors, loans and advances, unsecured loans and sundry creditors as on 31st March 2008 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	
		31.03.2008	31.03.2007
Stores and Spares			
Indegenous	Rs. 3363321	%age 100	Rs. 17680717 %age 100
Imported	nil		nil
Other Materials			
Indegenous	Rs. 429452	%age 100	Rs. 500000 %age 100
Imported	nil		nil

21 Expenditure in Foreign Currency:-

		For the Year Ended	
		31-3-2008	31-3-2007
Subsription,books & Periodicals		Rs. NIL	Rs. NIL

R.J.Shah & Company Limited
Schedule forming Part of Accounts for the Year ended 31st March 2008

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

I. Registration Details:-

Registration Number	10986
State Code	11
Balance Sheet Date	31-Mar-08

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	132,529
Total Assets	132,529
Source Of Funds:-	
Paid up Capital	2,801
Reserves & Surplus	121,009
Secured Loans	0
Unsecured Loans	8,720
Application of Funds:-	
Net Fixed Assets	28,821
Investments	6
Net Current Assets	106,005
Deferred Tax Liabilities	(2,303)
Accumulated Losses	0

IV Performance of the Company :-

Turnover (i/c other income)	45,542
Total Expenditure	25,070
Profit/loss before tax	20,472
Profit/loss after tax	13,637
Earning per Share (Rs.)	48.69
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: 30TH June 2008

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 2008 PURSUANT TO CLAUSE 32 OF LISTING AGREEMENT

	For Year Ended 31/03/2008	For Year Ended 31/03/2007
A. CASH FLOW FROM OPERATING ACTIVITIES :-		
Net Profit before Tax	20,471,939	18,258,072
Adjusted for :		
Depreciation	1,678,389	1,948,355
Profit on sale of Fixed Assets	(484,045)	0
Income from Investments	(800)	(7,138)
Interest paid/payable on loans	990,103	1,134,927
Interest received/receivable	(10,678,584)	(3,899,395)
Advance tax/tds(Net of refunds)	(6,528,211)	(7,347,339)
Operating profit before working capital changes	(15,023,148)	(8,170,590)
	5,448,791	10,087,482
Adjustments for :		
Trade & other receivables	(1,563,053)	3,340,553
Inventories	(13,239,634)	(1,678,039)
Trade payables	11,017,294	(4,483,127)
	(3,785,393)	(2,820,613)
Cash generated from operations	1,663,398	7,266,869
Interest paid	(990,103)	(1,134,927)
NET CASH FROM OPERATING ACTIVITIES	673,295	6,131,942
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets	(6,971,424)	(85,499)
Sale of fixed assets	528,347	0
Sale of investments	0	100,000
Purchase of Investments	0	0
Interest received from investments	800	7,138
others	11,089,613	3,466,199
NET USED IN INVESTING ACTIVITIES	4,647,336	3,487,838
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from :		
Short term borrowing	1,100,000	2,250,000
Repayment of Short Term borrowing	(1,400,000)	(2,000,000)
Dividend paid	(692,278)	(1,375,335)
NET CASH USED IN FINANCING ACTIVITIES	(992,278)	(1,125,335)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	4,328,353	8,494,445
Opening cash & cash equivalents	51,824,990	43,330,545
Closing cash & cash equivalents	56,153,343	51,824,990

This is the Cash Flow Statement referred to in our report of even date.

For MAGANLAL & COMPANY
Chartered Accountants
M.C.BHATT

K.R.SHAH Chairperson & Managing Director
T.R.SHAH Jt.Managing Director

Proprietor

M.N.PATEL } Directors

MUMBAI:

S.R.AGARWAL }

DATED: 30TH June 2008

R.A.RAICHUR

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
him -----or failing
-----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 25th day of September , 2008 and at any adjournment thereof.

Signed this-----day of-----2008



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 50th Annual General Meeting at the Registered Office of the
Company at Mahul Road, Antop Hill, Mumbai 400 037 to be held on Thursday, the 25th
September 2008 at 4.00 P.M.

Member's/Proxy's Signature *

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