

NOTICE

NOTICE is hereby given that **52ND ANNUAL GENERAL MEETING** of the members of **R. J. SHAH & COMPANY LIMITED** will be held on Wednesday the 29th September, 2010 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, 2010, 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 Mr. R. A. Raichur, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors for the current year and fix their remuneration.

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 29th October, 2010 to those shareholders whose names appear on the Register of Members as on 29th September, 2010.
3. The Register of Members and Share Transfer Books of the Company will remain closed from the Wednesday the 22nd September, 2010 to Wednesday 29th September, 2010 (both days inclusive)
4. The Company has transferred unpaid dividend for the year ended 31st March, 2002 to the Investor Education & Protection Fund as per the Rules of Central Government.
5. Unpaid Dividend payable to the Shareholders in respect of the 45th Dividend for the year ended 31st March, 2003 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 2002-2003 declared on 30th September, 2003 will be transferred to the said Account of Central Government after 7-11-2010. 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.

6. Members are requested to notify immediately any change in their address to the Company.

MUMBAI
DATED:31/05/2010
REGISTERED OFFICE
Mahul Road, Antop Hill,
Mumbai – 400 037.

By Order of the Board

K. R. SHAH

Chairperson & Managing Director

DIRECTORS' REPORT
2009-2010

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

The Directors have pleasure in submitting their 52ND ANNUAL REPORT along with the Audited Balance Sheet and Profit & Loss Account for the year ended 31st March, 2010.

1. FINANCIAL RESULTS

	Current Year Rs.	Previous Year Rs.
Profit before Depreciation and provision for taxation	82,82,123	1,74,05,538
(-) Depreciation	16,77,275	18,46,547
TOTAL	66,04,848	1,55,58,991
(-) Provision for Taxation	19,61,520	53,10,349
Profit After Taxation	46,43,328	1,02,48,642
(+) Balance profit brought forward from previous year	1,03,81,689	1,09,48,471
Amount available for Appropriations	1,50,25,017	2,11,97,113
Less: Appropriation:		
Income Tax Earlier Years	16,445	(3,833)
Proposed Dividend	4,20,150	7,00,250
Tax on Proposed Dividend	69,787	1,19,007
Transfer to General Reserve	50,00,000	1,00,00,000
Balance carried to Balance Sheet	95,18,635	1,03,81,689
	1,50,25,017	2,11,97,113

2. DIVIDEND

Your Directors are pleased to recommend payment of Dividend @1.50/- per share (Previous Year @2.50/- per share) for the year ended 31st March, 2010.

3. REVIEW OF OPERATIONS

Neera Deogarh Hydro Electric Project (2 x 3.5 MW) was commissioned in August, 2009.

Work Order under VIDC for Rs. 56,57,32,680/- awarded to Joint Venture with D. Thakkar Construction Pvt. Ltd., Mumbai (but work is yet to commence as land has yet to be acquired by the Project Authorities.)

The Company has quoted for Kalwa -Mumbra Tunnel under Mumbai Railway Vikas Corporation Ltd and likely to receive Work Order shortly. Tendering for works is in process. Works are rather difficult due to fund shortage and heavy competition in market.

4. INSURANCE

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

5. CORPORATE GOVERNANCE

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

6. DIRECTORS

Under Article No. 45 (d) of the Articles of Association, Mr. R. A. Raichur retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

7. DIRECTORS' RESPONSIBILITY STATEMENT.

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956. With respect to Directors' Responsibility Statement, it is hereby confirmed:

- (I) That in the preparation of the accounts for the financial year ended 31st March, 2010, 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, 2010 on a "going concern" basis.

8. COMPLIANCE CERTIFICATE UNDER SECTION 383A (i)

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

9. PARTICULARS OF EMPLOYEES

Information as per Section 217(2A) of the Companies Act, 1956, read with Companies particulars of Employees) Rules, 1975 is not applicable.

10. AUDITOR'S REPORT

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

11. APPOINTMENT OF AUDITORS

M/s. Maganlal & 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 2010-11.

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

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

14. APPRECIATION

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

MUMBAI
DATED: 31/05/2010
REGISTERED OFFICE
Mahul Road, Antop Hill,
Mumbai – 400 037.

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

MAGANLAL & COMPANY

CHARTERED ACCOUNTANTS

MUKESH C. BHATT B.COM, F.C.A.

32, RAJA BAHADUR MANSION, 2ND FLOOR, MUMBAI SAMACHAR MARG, FORT, MUMBAI-400 023.

Phone:- (022) 2265 1905 / 3022 1905

AUDITOR'S REPORT.

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

Report on the accounts for the year ended on 31st March, 2010 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, 2010 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;



Cont 2/-

MAGANLAL & COMPANY

CHARTERED ACCOUNTANTS

MUKESH C. BHATT B.COM, F.C.A.

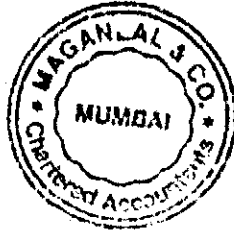
32, RAJA BAHADUR MANSION, 2ND FLOOR, MUMBAI SAMACHAR MARG, FORT, MUMBAI-400 023,

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- 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, 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, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 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, 2010;
- ii. in the case of Profit and Loss Account of the Profit of the company 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.

FOR MAGANLAL & COMPANY
CHARTERED ACCOUNTANTS
(Registration No. 105731(V))


(MUKESH C. BHATT)
PROPRIETOR
MEMBERSHIP NO.14092



PLACE: MUMBAI

DATED: 31st May 2010

MAGANLAL & COMPANY

CHARTERED ACCOUNTANTS

MUKESH C. BHATT B.COM, F.C.A.

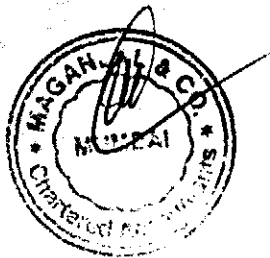
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ANNEXURE TO THE AUDITOR'S REPORT

Referred to in paragraph 3 of our report of even date on the accounts for the year ended 31st March, 2010 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 it's 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 it's 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 stocks 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 One Company covered in the register maintained under section 301 of the Companies Act 1956. The maximum amount involved during the year was Rs. 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 the company.
- c. The Company is regular in repaying the principal amounts as stipulated and has been regular in repayment of interest.



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MAGANLAL & COMPANY

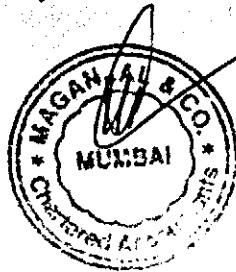
CHARTERED ACCOUNTANTS

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32, RAJA BHADUR MANSION, 2ND FLOOR, MUMBAI SAMACHAR MARG, FORT, MUMBAI-400 023.

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- 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 it's 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 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 to 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 it's 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.



Cont., 3/-

MAGANLAL & COMPANY

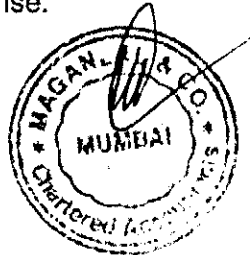
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Phone:- (022) 2265 1905 / 3022 1905

- 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, 2010 for a period of more than six months from the date they become payable, except undisputed dues of vat having various due dates of payment aggregating Rs. 11,25,651/- for the period beginning 1st April, 2010 to 30th September, 2010. This amount was in arrear as on 31st March, 2010 for a period of more than six months from the date they become payable and were deposited with the appropriate authorities on 25th May, 2010.
- c. According to the information and explanations given to us, there are no dues of Sale 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 holders 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. Accordingly 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 the 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 explanations given to us, the company has not made any preferential allotment of shares to parties and 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.



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MAGANLAL & COMPANY

CHARTERED ACCOUNTANTS

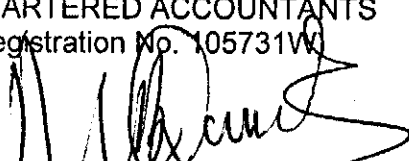
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- XIX. The company has not raised any money by issue of debentures and hence the question of securities have been created in respect of the debenture issue does not arise.
- XX. The company has not raised money by any public issue during the year and 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.

FOR MAGANLAL & COMPANY
CHARTERED ACCOUNTANTS
(Registration No. 105731W)


(MUKESH C. BHATT)
PROPRIETOR
MEMBERSHIP NO.14092



PLACE: MUMBAI

DATED.

31st May 2010

R.J.Shah & Company Limited
Balance Sheet as at 31st March 2010

<u>SOURCES OF FUNDS</u>	SCHEDULE	For the	For the
		Year ended 31-Mar-10 Rs.	Year ended 31-Mar-09 Rs.
SHAREHOLDERS FUNDS			
Share Capital	1	2,801,000	2,801,000
Reserves & Surplus	2	132,912,533	129,608,843
		<u>135,713,533</u>	<u>132,409,843</u>
LOAN FUNDS			
Unsecured Loans	3	8,719,411	10,219,411
		<u>8,719,411</u>	<u>10,219,411</u>
TOTAL:-		<u><u>144,432,944</u></u>	<u><u>142,629,254</u></u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	4	71,043,987	74,385,231
Less: Depreciation		47,509,552	48,530,174
Net Block		<u>23,534,435</u>	<u>25,855,057</u>
INVESTMENTS			
	5	65,865	40,813
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	6	30,720,538	37,230,607
Sundry Debtors	7	57,811,260	29,772,349
Cash & Bank Balances	8	35,231,913	55,103,919
Loans & Advances	9	32,428,211	36,995,646
		<u>156,191,922</u>	<u>159,102,521</u>
Less:			
CURRENT LIABILITIES AND PROVISIONS			
	10	33,274,634	40,166,013
		<u>122,917,288</u>	<u>118,936,508</u>
DEFERRED TAX LIABILITIES			
	11	(2,084,644)	(2,203,124)
		<u>144,432,944</u>	<u>142,629,254</u>
		<u>0</u>	<u>0</u>
Notes on Accounts	18		

Notes on Accounts

As per our report of even date
For **MAGANLAL & COMPANY**
Chartered Accountants

Proprietor
MUMBAI
DATED: 31ST MAY 2010



Chairperson & Managing Director
Jt. Managing Director

Directors

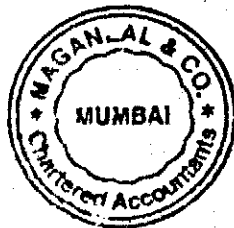
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R.J.Shah & Company Limited
Profit and Loss Account for the Year ended 31st March 2010

<u>INCOME</u>	SCHEDULE	For the Year ended 31-Mar-10 Rs.	For the Year ended 31-Mar-09 Rs.
Work Receipts		44,616,335	76,948,135
Other Income	12	9,274,718	14,862,744
Accretion/(decretion) in stock	13	(2,388,684)	(2,518,009)
TOTAL A:		51,502,369	89,292,870
<u>EXPENDITURE</u>			
Material consumed		15,345,448	27,900,900
Wages, salaries & Allowances	14	15,632,879	27,660,361
Other expenses & charges	15	11,282,784	15,364,987
Interest on loans	16	959,135	961,084
Depreciation	17	1,677,275	1,846,547
TOTAL B:		44,897,521	73,733,879
Profit before Taxation (A-B)		6,604,848	15,558,991
Provision for taxation			
(i) Current Tax	2,080,000		
(ii) Deferred Tax	(118,480)		
Profit after Taxation		1,961,520	5,310,349
Balance brought forward from Previous Year		4,643,328	10,248,642
Profit available for appropriation		10,381,689	10,948,471
APPROPRIATION			
Income tax of earlier years		16,445	(3,833)
Transfer to General Reserve		5,000,000	10,000,000
Proposed Dividend		420,150	700,250
Income tax on proposed Dividend		69,787	119,007
Balance carried to Balance Sheet		9,518,635	10,381,689
TOTAL		15,025,017	21,197,113
Basic and diluted earning per Share (Rs.)		16.58	36.59
(Refer Note No.16)			
Notes on Accounts	18		

As per our report of even date
For MAGANLAL & COMPANY
 Chartered Accountants
 Proprietor
 MUMBAI:
 DATED: 31ST MAY 2010



Chairperson & Managing Director
 Jt. Managing Director

) Directors
)
)

R. Rajesh

TR Shah

Shah

R.J.Shah & Company Limited
Schedules forming Part of Balance Sheet as at 31st March 2010

	For the Year ended 31-Mar-10 Rs.	For the Year ended 31-Mar-09 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		
RESEVES AND SURPLUS		
Capital Reserve		
As per last Balance Sheet	16,369,730	16,369,730
Revaluation Reserve		
As per last Balance Sheet	6,345,536	7,178,792
Less:		
Depreciation for the year on amount added on revaluation	(833,256)	(833,256)
General Reserve	5,512,280	6,345,536
As per last Balance sheet	96,511,888	86,511,888
Add: Transfer from Profit & Loss Account	5,000,000	10,000,000
	101,511,888	96,511,888
Profit as per Profit & Loss Account	9,518,635	10,381,689
SCHEDULE 3		
UNSECURED LOANS		
Fixed Deposits		
From Directors	8,669,411	10,169,411
From Others	50,000	50,000
	8,719,411	10,219,411

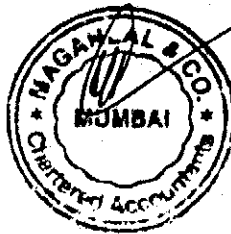
Schedule 4 FIXED ASSETS AT COST/REVALUATION

Description	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As on 31/03/2009	Additions/ Adjustments	Sales/ Adjustment	As on 31/03/2010	Up To 31/03/2009	For The Year	On Sold Items/ Adjustment	Up To 31/03/2010	As on 31/03/2010	As on 31/03/2009
Leasehold Land	609,609	0		609,609	0	0	0	0	609,609	609,609
Building & Shed	28,437,673	0		28,437,673	19,884,750	1,011,930	0	20,896,680	7,540,993	8,552,923
Plant & Machinery	21,231,790	0	2,978,497	18,253,293	8,969,833	806,811	2,462,884	7,313,760	10,939,533	12,261,957
Traxcavators and Loaders	8,573,385	0	384,192	8,189,193	7,787,853	47,728	364,982	7,470,599	718,594	785,532
Installations	38,555	0	38,555	0	29,786	993	30,779	0	0	8,769
Dumpers	10,004,770	0	0	10,004,770	8,293,083	374,609	0	8,667,692	1,337,078	1,711,687
Furniture & Fixtures	1,119,238	50,000	243,842	925,396	740,443	24,844	183,538	581,749	343,647	378,795
Vehicles	3,801,396	767,855	459,740	4,109,511	2,692,132	218,295	436,753	2,473,674	1,635,837	1,109,264
Sci.Apparatus	546,415	0	31,873	514,542	109,894	25,321	29,817	105,398	409,144	436,521
Trademark	22,400	0	22,400	0	22,400	0	22,400	0	0	0
Total	74,385,231	817,855	4,159,099	71,043,987	48,530,174	2,510,531	3,531,153	47,509,552	23,534,435	25,855,057
Previous Year	74,774,623	1,017,013	1,406,405	74,385,231	45,954,232	2,679,803	103,861	48,530,174	25,855,057	



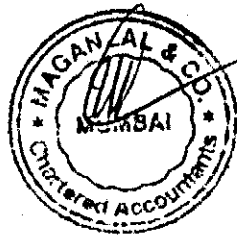
R.J.Shah & Company Limited
Schedules forming Part of Balance Sheet as at 31st March 2010

SCHEDULE 5	For the Year ended 31-Mar-10 Rs.	For the Year ended 31-Mar-09 Ra.
INVESTMENTS At Cost		
(i) Investment in Partnership firm	59,465	34,413
(ii) NON-TRADE		
Long Term Investments		
Quoted:		
400 Equity shares of Union Bank of India of Rs.10/-each at premium of Rs.6/-	6,400	6,400
31.03.2010	65,865	40,813
31.03.2009		
Book Value of quoted inv.	6400	6400
Market value of quoted inv.	117,200	50,800
SCHEDULE 6		
INVENTORIES		
(As valued and certified by the Managing Director)		
Consumable stores	4,604,948	8,726,333
Work in progress (valued and certified by the Managing Director)	26,115,590	28,504,274
	30,720,538	37,230,607
SCHEDULE 7		
SUNDRY DEBTORS (Unsecured considered good)		
More than 6 months	49,138,753	9,854,614
Others	8,672,507	19,917,735
	57,811,260	29,772,349
SCHEDULE 8		
CASH AND BANK BALANCES		
Cash on Hand	25,237	352,897
WITH SCHEDULED BANK		
In Current Accounts	1,751,264	9,486,430
In Unclaimed dividend accounts	225,307	224,812
In fixed Deposit Accounts (Rs.1730105/-pledged with contractees, govt depts and Bank, Previous Year Rs.6031805/-)	33,230,105	45,039,780
	35,231,913	55,103,919
SCHEDULE 9		
LOANS AND ADVANCES		
Advances (unsecured, Considered good)	8,869,931	7,720,551
Advances recoverable in cash or kind or for value to be received.	14,555,370	19,053,280
Advance Income Tax (including TDS and FBT)	9,002,910	10,221,815
Security and other deposits	32,428,211	36,995,646
SCHEDULE 10		
CURRENT LIABILITIES AND PROVISIONS		
A. CURRENT LIABILITIES		
Sundry Creditors	8,222,815	10,646,709
Advance & Deposits	6,478,150	6,563,215
Managerial Remuneration Payable	1,744,168	1,357,754
Unclaimed dividend	223,650	223,164
	16,668,783	18,790,842
B. PROVISIONS		
For Taxation I/c FBT	14,370,000	18,860,000
For Retirement Benefits	1,745,914	1,695,914
For Proposed Dividend	420,150	700,250
For Income tax on proposed dividend	69,787	119,007
	16,605,851	21,375,171
TOTAL:	33,274,634	40,166,013



R.J.Shah & Company Limited
Schedules forming Part of Profit and Loss Account for the year ended on 31st March 2010

	For the Year ended 31/03/2010 Rs.	For the Year ended 31/03/2009 Rs.
SCHEDULE 11		
DEFERRED TAX		
Deferred Tax liability (Refer Note No: 6)	(2,084,644)	(2,203,124)
TOTAL:	(2,084,644)	(2,203,124)
SCHEDULE 12		
OTHER INCOME		
Income from investments :		
Dividend	2000	1600
Interest On Bank Deposits(including TDS Rs 292718,previous year Rs.584634)	1,667,105	2,737,070
Interest from others(including TDS Rs. nil, Pre Year Rs.1487060)	0	6,562,490
Warehousing Income	5,510,354	5,222,312
Share of profit from Partnership firm	7,052	9,413
Profit/(loss) on sale of Fixed Assets	233,977	114,911
Miscellaneous Receipts	1,854,230	214,948
SCHEDULE 13	9,274,718	14,862,744
Accretion/(Decretion) In Stock		
Work In Progress:		
Closing Work in Progress	26,115,590	28,504,274
Less:Opening Work In Progress	(28,504,274)	(31,022,283)
SCHEDULE 14	(2,388,684)	(2,518,009)
WAGES,SALARIES AND ALLOWANCES		
Wages including payment to sub-contractors	12,925,854	23,524,295
Salaries,Bonus and Gratuity and other benefits	1,419,753	2,142,537
Retainer charges	839,455	1,387,537
Staff Welfare Expenses	120,670	218,795
Contribution to Provident Fund & other Funds	327,147	387,197
SCHEDULE 15	15,632,879	27,660,361
OTHER EXPENSES AND CHARGES		
Electric Energy	268,923	276,406
Freight & Cartage	129,754	749,481
Legal & Professional Charges	1,835,922	1,914,116
Machinery Hire Charge	4,467	263,419
Repairs to Machinery	82,868	112,657
Repairs to Building	9,090	888,832
Insurance	293,969	276,524
Rent,Rates & Taxes	584,963	808,349
Office Expenses	452,298	424,160
Other Interest	6,660	
Printing & Stationary	71,486	117,952
Conveyance Expenses	214,360	381,905
Electricity charges	400,491	404,824
Telephone Expenses	118,262	187,123
Motor Car Expenses	139,228	208,154
General Expenses	135,119	146,478
Travelling Expenses(including Rs.nil to Directors-Previous Year Rs.10401)	140,946	75,406
Director's Meeting Fees	30,000	30,000
VAT	1,681,308	2,231,808
Service Tax	2,156,187	3,075,448
Payment to Auditors:		
Audit Fees	46,326	46,326
Tax Audit Fees	11,030	11,236
Other Services	34,127	39,708
Remuneration to Directors	2,435,000	2,694,675
	11,282,784	15,364,987



R.J.Shah & Company Limited
Schedules forming Part of Profit and Loss Account for the year ended on 31st March 2010

	For the Year ended 31/03/2010 Rs.	For the Year ended 31/03/2009 Rs.
SCHEDULE 16		
INTEREST ON LOANS		
Directors	953,635	921,516
Others	5,500	39,568
	959,135	961,084
SCHEDULE 17		
DEPRECIATION		
Depreciation for the year	2,510,531	2,679,803
Less: Transfer from revaluation reserve	833,256	833,256
	1,677,275	1,846,547

Schedule forming Part of Accounts for the Year ended 31st March 2010

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 FIFO 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.

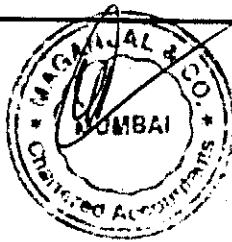
2. CONTINGENT LIABILITIES

A. In respect of guarantees given to Project Authorities by Bank and counter guaranteed by the Company

B. Claims against Company not acknowledged as debts

C. In respect of Income Tax pending rectification

	For the Year ended 31/03/2010 Rs.	For the Year ended 31/03/2009 Rs.
A.	nil	6,470,000
B.	7,089,659	6,487,966
C.	1,010,160	Nil



R.J.Shah & Company Limited

Schedule forming Part of Accounts for the Year ended 31st March 2010

3. MANAGERIAL REMUNERATION:

In view of the inadequacy of profits, minimum remuneration has been paid to the Managing Director and Joint Managing Director.

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. 31-03-2010	Rs. 31-03-2009
Contract Revenue :	43920726	74086915
Contract costs incurred	42712126	65188162
Recognised Profits / Losses	1208600	8898753
Advances Received	4000000	4085065
Retention Money	1428964	1386432
Gross Amount due from Customer for Contract Work	46999804	10851137
Gross Amount due to Customer for Contract Work	30342452	5411101

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. 118480 previous Year Rs 99651 to the Profit and Loss Account. The year end position of deferred Tax Assets and (Liabilities) are attributed to the following items:-

Items	Deferred tax liabilities) as at 31/3/2009 Rs.	Current year (Charge)/ Credit Rs.	Deferred tax Assets/(liabilities) as at 31/3/2010 Rs.
Difference between block and tax depreciation	(2,670,965)	101,871	(2,569,094)
Retirement benefits	467,841	16,609	484,450
	(2,203,124)	118,480	(2,084,644)

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 31.03.2010. An amount equivalent to the excess charged has been transferred to profit & loss account from revaluation reserve account.

9. Sundry Debtors of Rs. 57811260 includes Rs. 637755 due from a partnership firm wherein the Company is a partner.

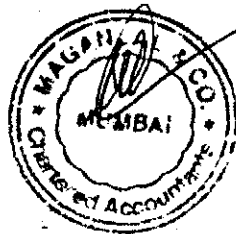
10. Legal & Professional fees Rs. 1835922 includes payment made to Directors Rs. 48000 in their professional capacity.

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 w/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 permanent registration certificate as an Ancillary Industrial Undertaking or a Small Scale Industrial Undertaking issued by the Directors of Industries of State or Union territory is not available from relevant parties. In the absence of such information the amount and interest due as per the interest on delayed payment to Small and Ancillary Industries Act, 1993 is not ascertainable.



R.J.Shah & Company Limited
Schedule forming Part of Accounts for the Year ended 31st March 2010

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 for part of the previous year.

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

Nature of transaction	Referred in I(a)above Rs.	Related Parties Referred in I(b) above Rs.	Referred in I(c) above Rs.
Expenses			
Service/labour charges	1614284 (1933684)	0	
Remuneration		2435000 (2544675)	nil (62452)
Interest paid	5500 (5500)	953635 (921516)	nil (31482)
Sitting Fees			-
Outstanding Loans received	50000 (50000)	8669411 (10169411)	-
Balance Payable	96980 (480959)		-
Loans/Deposits (received)	nil	nil	-
or repaid during the year	nil	1500000 (1000000)	nil (876000)
16. Earning per Share		As at	As at
Particulars		31/03/2010	31/03/2009
Profit after Taxation as per profit and loss account		4,643,328	10,248,642
Weighted Average number of Equity Shares outstanding		280,100	280,100
Basic and diluted earning per share(Face value -Rs. 10/- per share)		16.58	36.59

17. Disclosure of Partnership Firm

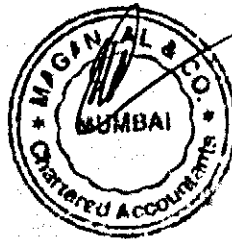
Name of the Firm : R.J.Shah & Co.ltd - D.Thakkar Constructions Pvt.Ltd. (JV)

Name of Partner	Profit/Loss Share ratio	Capital Balance as on 31.03.2010
(a) R.J.Shah & Co.Ltd.	51%	59465
(b) D.Thakkar Constuction P/Ltd.	49%	58820

18. The balance of sundry debtors, loans and advances, unsecured loans and sundry creditors as on 31st March 2010 are subject to confirmation.

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

20. Consumption of Materials:	For the Year ended			
	31.03.2010		31.03.2009	
	Rs.	%age	Rs.	%age
Stores and Spares				
Indegenous	15345448	100	26900900	100
Imported	nil		nil	
Other Materials				
Indegenous	nil		1000000	100
Imported	nil		nil	



R.J.Shah & Company Limited
Schedule forming Part of Accounts for the Year ended 31st March 2010

21 Expenditure in Foreign Currency:-	For the Year Ended	
	31-3-2010	31-3-2009
Subsription,books & Periodicals	Rs. NIL	Rs. NIL
22 Baiance Sheet Abstract and Company's Business Profile:-		
I. Registration Details:-		
Registration Number	10986	
State Code	11	
Balance Sheet Date	31-Mar-10	
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	144,433	
Total Assets	144,433	
Source Of Funds:-		
Paid up Capital	2,801	
Reserves & Surplus	132,913	
Secured Loans	0	
Unsecured Loans	8,719	
Application of Funds:-		
Net Fixed Assets	23,534	
Investments	66	
Net Current Assets	122,917	
Deferred Tax Liabilities	(2,085)	
Accumalated Losses	0	
IV Performance of the Company :-		
Turnover (i/c other income)	51,502	
Total Expenditure	44,898	
Profit/loss before tax	6,605	
Profit/loss after tax	4,643	
Earning per Share (Rs.)	16.58	
Dividend Rate	15 %	
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	

Chairperson & Managing Director
 Jt.Managing Director

[Signature]

) Directors
)
)

[Signature]

MUMBAI:
 DATED: 31ST MAY 2010



[Signature]

[Signature]

[Signature]

R.J.Shah & Company Limited
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010 PERSUANT TO CLAUSE 32 OF LISTING AGREEMENT

	For Year Ended 31/03/2010	For Year Ended 31/03/2009
A. CASH FLOW FROM OPERATING ACTIVITIES :-		
Net Profit before Tax	6,604,848	15,558,991
Adjusted for :		
Depreciation	1,677,275	1,846,547
Profit on sale of Fixed Assets	(233,977)	(114,911)
Income from Investments	(2,000)	(1,600)
Interest paid/payable on loans	959,135	961,084
Interest received/receivable	(1,667,105)	(9,299,560)
Advance tax/tds(Net of refunds)	(2,199,657)	(6,146,821)
Operating profit before working capital changes	(1,466,329)	(12,755,261)
Adjustments for :	5,138,519	2,803,730
Trade & other receivables	(28,058,653)	(13,221,779)
Inventories	6,510,069	379,157
Trade payables	(2,298,855)	(460,544)
	(23,847,439)	(13,303,166)
Cash generated from operations	(18,708,920)	(10,499,436)
Interest paid	(740,710)	(959,992)
NET CASH FROM OPERATING ACTIVITIES	(19,449,630)	(11,459,428)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets	(817,855)	(1,017,013)
Sale of fixed assets	861,923	1,417,455
Sale of investments	0	0
Purchase of Investments	(25,052)	(34,413)
Interest received from investments	2,000	1,600
others	1,756,372	9,235,090
NET USED IN INVESTING ACTIVITIES	1,777,388	9,602,719
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from :		
Short term borrowing	0	3,376,000
Repayment of Short Term borrowing	(1,500,000)	(1,876,000)
Dividend paid	(699,764)	(692,715)
NET CASH USED IN FINANCING ACTIVITIES	(2,199,764)	807,285
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(19,872,006)	(1,049,424)
Opening cash & cash equivalents	55,103,919	56,153,343
Closing cash & cash equivalents	35,231,913	55,103,919

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

For **MAGANLAL & COMPANY**
Chartered Accountants

Proprietor
MUMBAI
DATED: 31ST MAY 2010

Chairperson & Managing Director
Jt. Managing Director

Directors



R. Paichur

R. Shah

R. Shah

[Signature]

[Signature]