

13th ANNUAL REPORT

1997-98

| | | | | |
|-----|----|---|-----|---|
| MD | ✓ | | BKC | ✓ |
| CS | ✓ | | DPY | ✓ |
| RO | ✓ | | DIV | ✓ |
| TRA | NA | | AC | ✓ |
| AGM | ✓ | ✓ | SHI | ✓ |
| YE | ✓ | ✓ | | ✓ |



RAJATH

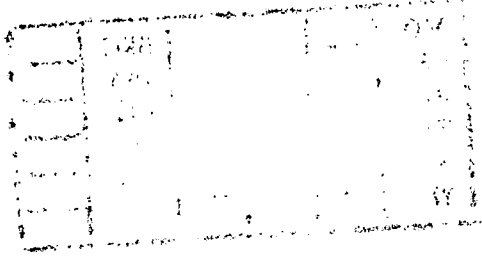
LEASING & FINANCE LIMITED

Certified Copy
For Rajath Leasing & Finance Ltd
[Signature]
Company Secretary

Regd. Office :

'Trambakalay '
Rajputpara Main Road,
Rajkot - 360 001.

Phone : 232056 / 220196-197-198. Fax : 91-281-224555



RAJATH LEASING & FINANCE LIMITED

BOARD OF DIRECTORS

Chairman

C. V. Kamani

Vice-Chairman

N. D. Popat

Managing Director

H. M. Pai

Directors

R. C. Kamani

D. C. Kamani

N. C. Dave

J. R. Dave

L. J. Ramjiani

Company Secretary

Sudhir Bhatt

Auditors

M/s. M. P. Sarda & Associates

Chartered Accountants

Bankers

State Bank of Saurashtra

Canara Bank

State Bank of Indore

Registered Office

'Trambakalay'

Rajputpara Main Road,

Rajkot - 360 001.

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RAJATH LEASING & FINANCE LIMITED

NOTICE

NOTICE is hereby given that the Thirteenth Annual General Meeting of the Company will be held at "Star Plaza", Nr. Sardar Baug, Phulchab Chowk, RAJKOT on Friday, the 16th October, 1998 at 5 p.m. to transact the following business.

ORDINARY BUSINESS :

- (1) To receive, consider and adopt the audited Balance Sheet and Profit & Loss Account as at and for the year ended 31st March, 1998 and the Reports of the Directors & Auditors thereon.
- (2) To Declare Dividend.
- (3) To appoint a Director in place of Mr. N. D. Popat who retires by rotation and being eligible offers himself for re-appointment.
- (4) To appoint a Director in place of Mr. J. R. Dave who retires by rotation.
- (5) To appoint Auditors and fix their remuneration. The retiring Auditors M/s. M. P. Sarda & Associates, Chartered Accountants has shown their unwillingness to continue as Auditors of the Company. A notice u/s 225 of the Companies Act 1956 has been received proposing the appointment of M/s. D. H. Vadodaria & Associates, Chartered Accountants as Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting.

SPECIAL BUSINESS :

To consider and if thought fit, to pass with or without modification the following Resolutions,

- (6) As an Ordinary Resolution :
"Resolved that Mr. Rashmi C. Kamani be and is hereby appointed a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation."
- (7) As an Ordinary Resolution :
"Resolved that Mr. Mahesh P. Sarda be and is hereby appointed a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation."

By Order of the Board of Directors
For and on behalf of

RAJATH LEASING & FINANCE LIMITED

Place : Rajkot
Date : 3rd September, 1998

SUDHIR BHATT
COMPANY SECRETARY

13th ANNUAL REPORT**NOTES :**

1. The Explanatory statement pursuant to Section 173 of the Companies Act, 1956, is annexed hereto.
2. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. The Deed of proxy shall be received by the Company at least 48 hours before the meeting.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from Friday, the 16th October, 1998 to Monday, the 26th October, 1998 (Both Days inclusive).
4. The members are requested to intimate the Company regarding any change of address at the registered Office of the Company.
5. Members are requested to bring their copy of the Annual Report along with them, to the Annual General Meeting.
6. Members are requested to send their queries, if any, ten days in advance of the meeting so that the information can be made available at the time of meeting.
7. Dividend, if declared at the Annual General Meeting, will be payable on or after 26th October 1998, to those members whose names are on the Companies Register of Members on 26th October, 1998.
8. Pursuant to Section 205 A of the Companies Act 1956 unclaimed dividend upto financial year ended 31/03/1994 transferred to the General Revenue Account of the Central Government. All shareholders who have not encashed the Dividend for the period before that date can claim the same from the office of the Registrar of Companies, C.G.O. Complex, Opp. Rupal Park, Ankur char Rasta, Naranpura, Ahmedabad.

ANNEXURE TO THE NOTICE :**EXPLANATORY STATEMENT**

Pursuant to Section 173 of the Companies Act, 1956.

- 6) The Board of Directors of the Company appointed Mr. Rashmi C. Kamani as an Additional Director of the Company on 26th March, 1998.

Pursuant to Section 260 of the Companies Act, 1956 read with the Articles of Association of the Company he will hold office until the date of the forthcoming Annual General Meeting. The Company has received notice in writing from member with the required fee in terms of Section 257 of the Companies Act 1956, signifying his intention to propose the appointment of Mr. Rashmi C. Kamani as Director of the Company.

RAJATH LEASING & FINANCE LIMITED

Mr. Rashmi C. Kamani is a Non Resident Businessman of repute having wide experience in International Business.

In view of his experience the Board Consider that his appointment on the board will be beneficial to the company and recommend the resolution for approval.

None of the Directors except Mr. Chamanlal V. Kamani and Mr. Deepak C. Kamani being relatives, is interested in the resolution.

- (7) The Company has received a notice in writing from member alongwith required fee in terms of Section 257 of the Companies Act 1956 signifying intention to propose the appointment of Mr. Mahesh P. Sarda a Director of the Company.

Mr. Mahesh P. Sarda is a leading Chartered Accountant of repute having wide experience and exposure in Accounts, Finance, Taxation etc. In view of his experience the Board considers that his appointment on the Board will be beneficial to the Company and recommend the resolution for approval.

None of the Directors of the Company is concerned or interested in the resolution.

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By Order of the Board of Directors
For and on behalf of

RAJATH LEASING & FINANCE LIMITED

Place : **Rajkot**
Date : **3rd September, 1998**

Sudhir Bhatt
COMPANY SECRETARY

13th ANNUAL REPORT**DIRECTORS' REPORT****Dear Shareholders**

Your Directors have pleasure in presenting the Thirteenth Annual Report of your Company together with Audited Accounts for the year ended 31st March, 1998.

Financial Results :

(Rs. in Lacs)

| | March 31, 1998 | March 31, 1997 |
|---------------------------------|----------------|----------------|
| Total Income | 340.96 | 275.56 |
| Operating Expenditure | 188.03 | 140.07 |
| Profit Before Non-Cash Charges | 152.93 | 135.49 |
| Depreciation & Non-Cash Charges | 102.53 | 91.34 |
| Tax | 22.25 | 14.30 |
| Net Profit | 28.15 | 29.85 |
| Dividend & Dividend Tax | 22.00 | 22.00 |
| Transfer to Reserves | 5.49 | 8.80 |
| Profit & Loss Account | 0.03 | 0.07 |

Dividend

Your Directors recommend a Dividend of 10% for the year ended 31st march, 1998.

Performance Highlights

The Company could Book business of Rs. 931 Lacs compared to previous years Rs. 641 Lacs. This can be considered remarkable achievement in view of the General recession in the Economy.

The higher tax outgo and provision for Non Cash Charges and writing off of doubtful debts, a prudent policy, resulted in Stagnancy in Profit after tax. Your company has started a branch office in MORBI as a part of the plans to cover more industrial & business towns of Saurashtra.

The Company is coming out with a Right Issue of Equity Shares at par in Ratio of one Equity Share will be offered against each Equity share held by the members.

Subsidiary Company**Rajath Finshare Ltd.**

The Company made a turnover of Rs. 5.89 Lacs compared to Rs. 2.93 Lacs in previous year. The Net Profit this year is Rs. 2.18 lacs. No dividend is recommended.

RAJATH LEASING & FINANCE LIMITED

The Company could not really pick-up business in view of subdued stock market conditions & investment environment through out the year.

Capital Adequacy

The Company has followed the guidelines issued by the Reserve Bank of India for recognition of Income, Asset Classification, Investment Accounting, Provisioning for Non-Performing Assets. Based on the above a Capital Adequacy works out to 20% as on 31st March 1998 which is substantially higher than the 10% required by the guidelines issued by Reserve Bank of India.

Fixed Deposits

Total Deposits with the company as on 31st March, 1998 stood at Rs. 612.62 lacs. There were 35 Overdue and Unclaimed Deposits of Rs. 40.10 lacs as on 31st March, 1998. Out of this 25 Deposits of Rs. 36.48 lacs have since been paid or renewed. Total overdue and unclaimed Public Deposits as on 31st March, 1998 stood Rs. 10.21 Lacs for 29 Deposits. Out of which 19 Deposits of Rs. 6.59 Lacs have since been paid or renewed. Company has sent reminders to all the Overdue Deposit holders. The Company has obtained Credit Rating of Fixed Deposits from ICRA and they have rated our Fixed Deposits as "MA-" reflecting "Adequate Safety".

Directors

Shri N. D. Popat and Shri J. R. Dave, Directors, are retiring by rotation. Shri N. D. Popat being eligible offers himself for reappointment. The Board of Directors place on record the contribution made by Shri J. R. Dave during his tenure.

During the year, Shri Rashmi C. Kamani, a leading Non Resident businessman was appointed an Additional Director of the company on 26th March 1998. He holds office up to the forthcoming Annual General Meeting as per Section 257 of the Companies Act 1956. The company has received notice in writing from member conveying his intention to propose Mr. Rashmi C. Kamani a candidate for the office of Director.

The Company has received a Notice in writing from Member conveying his intention to propose Mr. Mahesh P. Sarda a candidate for the office of Director.

Auditors

M/s M. P. Sarda & Associates, Chartered Accountants, hold office until the conclusion of the ensuing Annual General Meeting. They have shown their unwillingness to continue as auditors of

13th ANNUAL REPORT

the Company. The Company is in receipt of a Notice from a member proposing the name of M/s. D. H. Vadodaria & Associates, Chartered Accountants to be appointed as Auditors of the Company. The Directors recommend their appointment.

Particulars of Employee

Particulars of employees as required under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 are as follows :

Name : Mr. H. M. Pai, Age : 48 yrs., Designation : Managing Director Qualification : B. Sc. CAIIB, Experience : 27 years., Date of Commencement of Employment : 01/06/1986, Particulars of last Employment : Manager, Corporation Bank.

Total Remuneration Rs. 328505/- (Rs. 312491/-)

Remuneration includes monetary valuation of parquisites.

Foreign Exchange Earning & Outgo

The Company has no earnings of Foreign Exchange during the year. Except for the remittance of Dividend on shares held by NRI's on repatriation benefits amounting to Rs. 2.68 lacs no other outgo of foreign exchange is incurred by the company.

Conservation of Energy, Technology Absorption

The Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 under Section 217(1) (e) of the Companies Act, 1956 are not applicable to the Company.

Disclosure as per Clause 43 of the Listing Agreement with Stock Exchanges requires comparison of the projections made in Letter of Offer Dt. 16/10/1995 and actual performance, which is as under :

Profitability

(Rs. in Lacs)

| | Projected | Actual |
|-------------------------|-----------|--------|
| Total Income | 428.42 | 340.96 |
| Expenditure (Operating) | 33.39 | 46.98 |
| Interest | 128.14 | 141.04 |
| Non Cash Charges | 132.04 | 102.53 |
| Tax | 62.61 | 22.25 |
| Net Profit | 72.24 | 28.15 |

RAJATH LEASING & FINANCE LIMITED

Explanations

1. Slowdown in Industrial and Investment activities resulted in reduced opportunities for risk free profitable deployment of funds available with the Company.
2. Interest Projected increased due to upward revision in interest rates on Bank Borrowings and Fixed Deposits.

Appreciations

The Directors wish to express their sincere appreciation to all the Staff Members for their contribution and to our valued Clients, Bankers, Depositors and the Shareholders for their continued support.



For and on behalf of the Board

Place : **Rajkot**
Date : **3rd September, 1998**

H. M. Pai
MANAGING DIRECTOR

N. C. Dave
DIRECTOR