

14th ANNUAL REPORT

1998-99



RAJATH

LEASING & FINANCE LIMITED

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Regd. Office :

208-215, "Star Plaza",
Phulchhab Chowk,
Rajkot - 360 001.

Phone : 447800-1-2. Fax : 91-281-454271

RAJATH LEASING & FINANCE LIMITED

NOTICE

NOTICE is hereby given that the Fourteenth Annual General Meeting of the Company will be held at "Star Plaza", Nr. Sardar Baug, Phulchhab Chowk, RAJKOT on Monday, the 7th June, 1999 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, 1999 and the Reports of the Directors & Auditors thereon.
- (2) To Declare Dividend.
- (3) To appoint a Director in place of Mr. D. C. Kamani who retires by rotation and being eligible offers himself for re-appointment.
- (4) To appoint a Director in place of Mr. C. V. Kamani who retires by rotation and being eligible offers himself for re-appointment.
- (5) To appoint Auditors and fix their remuneration. The retiring Auditors M/s. D. H. Vadodaria & 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. M. P. Sarda & 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 a Special Resolution :
 "Resolved as Special Resolution that the name of the Company be changed from "RAJATH LEASING AND FINANCE LIMITED" to "RAJATH FINANCE LIMITED".
 "Resolved further that clause 1 of the Memorandum of Association should be substituted with following clause,

1. The name of the company is **RAJATH FINANCE LIMITED**".

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

RAJATH LEASING & FINANCE LIMITED

Place : **Rajkot**
Date : **7th May, 1999**

SUDHIR BHATT
COMPANY SECRETARY

RAJATH LEASING & FINANCE LIMITED

BOARD OF DIRECTORS

Chairman

C. V. Kamani

Managing Director

H. M. Pai

Directors

R. C. Kamani

D. C. Kamani

N. D. Popat

N. C. Dave

L. J. Ramjiani

Company Secretary

Sudhir Bhatt

Auditors

M/s. D. H. Vadodaria & Associates

Chartered Accountants

Bankers

State Bank of Saurashtra

Canara Bank

Registered Office

208-215, "Star Plaza",

Phulchhab Chowk,

Rajkot - 360 001.

14th 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 4th June, 1999 to Monday, the 7th June, 1999 (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 7th June 1999, to those members whose names are on the Companies Register of Members on 7th June, 1999.
8. Pursuant to Section 205 A of the Companies Act 1956 unclaimed dividend upto financial year ended 31/03/1995 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 Company was incorporated on 13th December 1984 to do business as mentioned in the main objects of the Memorandum of Association of the Company. The main business of the Company is providing Lease Finance on Vehicles, Plant & Machineries etc. The company has diversified in other Fund based Financing activities i.e. Hire Purchase, Loan, Bill Discounting etc. and reduced the Lease Business. To reflect the various Financing activities in the name, the Board of Directors of

RAJATH LEASING & FINANCE LIMITED

the company proposed to change the name as "RAJATH FINANCE LIMITED". The Company has received the approval of availability of name from Registrar of Companies, Gujarat at Ahmedabad vide their letter N-25194/STAT/96/A dt. 30/03/1999 which is available for inspection to the members at the registered office during business hours.

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

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

RAJATH LEASING & FINANCE LIMITED

Place : **Rajkot**
Date : **7th May, 1999**

SUDHIR BHATT
COMPANY SECRETARY

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DIRECTORS' REPORT

Dear Shareholders

Your Directors have pleasure in presenting the Fourteenth Annual Report of your Company together with Audited Accounts for the year ended 31st March, 1999.

Financial Results :

(Rs. in Lacs)

	March 31, 1999	March 31, 1998
Total Income	314.02	340.96
Operating Expenditure	173.55	188.03
Profit Before Non-Cash Charges	140.47	152.93
Depreciation & Non-Cash Charges	87.14	102.53
Tax	16.00	22.25
Net Profit	37.33	28.15
Dividend & Dividend Tax	27.00	22.00
Transfer to Reserves	7.44	5.49
Profit & Loss Account	2.79	0.03

Dividend

Your Directors recommend a Dividend of 10% for the year ended 31st march, 1999. The Shares allotted in Right Issue during the year are eligible for Dividend on Pro-Rata Basis.

Performance Highlights.

The total business was Rs. 805 Lacs compared to Rs. 931 Lacs previous year. The Net Profit is marginally higher at Rs. 37.33 lacs compared to Rs. 28.15 lacs previous year.

The company has shifted Registered Office to owned spacious premises with all the modern infrastructure.

Right Issue

During the year company came out with Right Issue of Equity Shares in proportion of one equity share being offered for every equity share held by the share holders. The issue opened on 12/11/1998 and closed on 11/12/1998. The issue was subscribed in Full and shares were allotted on 08/01/1999. The shares were listed at stock exchange's at Rajkot, Ahmedabad and Mumbai.

RAJATH LEASING & FINANCE LIMITED

Subsidiary Company

Rajath Finshare Ltd.

The Company made a turnover of Rs. 4.42 Lacs compared to Rs. 5.89 Lacs in previous year. The Net Profit this year is Rs. 0.86 lacs. No dividend is recommended.

For working convenience and with a view to make it independent entity, a small share holding of the Rajath Finshare Ltd. has been disinvested due to which it ceased to be a subsidiary of the company as on the date of this report.

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 39% as on 31st March 1999 which is substantially higher than the 12% required by the guidelines issued by Reserve Bank of India.

Fixed Deposits

Total Deposits with the company as on 31st March, 1999 stood at Rs. 569.57 lacs. There were 23 Overdue and Unclaimed Deposits of Rs. 4.78 lacs as on 31st March, 1999. Out of this 12 Deposits of Rs. 0.92 lacs have since been paid or renewed. Total Public Deposits as on 31st March, 1999 stood Rs. 346.13 Lacs. There are no overdue or unclaimed deposits except above. 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 C. V. Kamani and Shri D. C. Kamani, Directors, are retiring by rotation, and being eligible offer themselves for reappointment. The Board of Directors recommend their reappointment.

Auditors

M/s D. H. Vadodaria & Associates, Chartered Accountants, hold office until the conclusion of the ensuing Annual General Meeting. They have shown their unwillingness to continue as auditors of the Company. The Company is in receipt of a Notice from a member proposing the name of M/s. M. P. Sarda & Associates, Chartered Accountants to be appointed as Auditors of the Company. The Directors recommend their appointment.

14th ANNUAL REPORT**Particulars of Employee**

No employee was in receipt of remuneration exceeding the limits prescribed under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

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.

Projection v/s Performance

Disclosure as per Clause 43 of the Listing Agreement with Stock Exchanges requires comparison of the projections made in Letter of Offer Dt. 16/10/1998 and actual performance, which is as under :

Profitability for 1998-99

	(Rs. in Lacs)	
	Projected	Actual
Total Income	294.63	314.02
Expenditure (Operating)	33.20	33.14
Interest	140.00	140.41
Non Cash Charges	63.63	87.14
Tax	20.23	16.00
Net Profit	37.57	37.33

Year 2000 (Y2K) Compliance

The hardware and software of your company are Y2K complied. We do not expect any disruption of working in the year 2000. The company did not incur any additional cost's to address the year 2000 issue.

RAJATH LEASING & FINANCE LIMITED

Appreciations

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

For and on behalf of the Board

Place : **Rajkot**
Date : **7th May, 1999**

H. M. Pai
MANAGING DIRECTOR

N. C. Dave
DIRECTOR

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14th ANNUAL REPORT**AUDITOR'S REPORT**

To
The Members
RAJATH LEASING & FINANCE LIMITED
RAJKOT

We have audited the attached Balance Sheet of **Rajath Leasing & Finance Limited, Rajkot** as at 31st March, 1999, and also the Profit and Loss Account of the Company for the year ended on that date and report as under :

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988, issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure 'A' a statement on the matters specified in the paragraph 4 and 5 of the said order.
2. Further to our comments in Annexure 'A' referred to in paragraph 1 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 purpose 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 the books;
 - (c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of accounts;
 - (d) In our opinion, the Profit & Loss account and balance sheet comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes of schedule - 14 give the information required by the Companies act, 1956, in the manner so required and present a true and fair view :
 - (i) In the case of Balance Sheet of the state of affairs of the Company as at 31st March, 1999; and
 - (ii) In the case of the Profit & Loss Account of the Profit for the year ended on that date.

For D. H. VADODARIA & ASSOCIATES
Chartered Accountants

Place : **Jamnagar**
Date : **7th May 1999**

D. H. Vadodaria
PARTNER