

15th ANNUAL REPORT

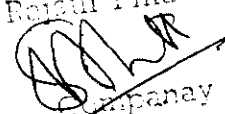
1999-2000



RAJATH

FINANCE LIMITED

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For Rajath Finance Limited

Company Secretary

Regd. Office :

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

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

RAJATH 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. M. P. Sarda & Associates

Chartered Accountants

Bankers

State Bank of Saurashtra

Canara Bank

Registered Office

208-215, "Star Plaza",

Phulchhab Chowk,

Rajkot - 360 001.

RAJATH FINANCE LIMITED

NOTICE

NOTICE is hereby given that the Fifteenth Annual General Meeting of the Company will be held at "Dew Drop Restaurant", Race Course Chowk, RAJKOT on Monday, the 29th May, 2000 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, 2000 and the Reports of the Directors & Auditors thereon.
- (2) To Declare Dividend.
- (3) To appoint a Director in place of Mr. N. C. Dave who retires by rotation and being eligible offers himself for re-appointment.
- (4) To appoint a Director in place of Mr. L. J. Ramjiani who retires by rotation.
- (5) To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS :

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

- (6) As a Special Resolution :
 "Resolved that in accordance with the provisions of section 269,309,311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 and Article 139 of the Articles of Association of the Company Mr. Hebri Mohandas Pai be and is hereby reappointed as Managing Director for a period of three years commencing from 1st May, 2000.

"Further Approval of the Members be given for the payment of remuneration to Mr. Hebri Mohandas Pai, Managing Director as,

1. Salary Rs. 40000/- per month
2. Perquisites

- a. Leave Travel Concession : for self, wife and dependent children once a year to and fro any place in India. Only actual fares shall be reimbursed and no hotel or other expenses would be payable.
- b. Medical Reimbursement : Expenses incurred for self and family subject to a ceiling of one months salary or three months salary in a block of three years.
- c. Personal Accident & Medical Insurance.
- d. Club Fees : Fees of Club subject to maximum of two clubs.
- e. Car : Company Car
- f. Telephone : Free telephone facility at residence.
- g. Contribution to Provident Fund, superannuation fund, Annuity fund which will not be included in the computation of the ceiling on perquisites to the extent these, whether singly or put together, are not taxable under the Income Tax Act, 1961

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be and is hereby approved.

"Resolved further where in any financial year, during the currency of tenure of the said Managing Director, the company has no profits or its profits are inadequate, the company may pay Mr. Hebri Mohandas Pai, Managing Director, remuneration mentioned above not exceeding the limits specified under Part - II of Schedule XIII to the Companies Act, 1956, including any statutory modifications re enactments thereof for the time being in force".

7. As an ordinary resolution

"Resolved that Mr. Parag I. Mody be and is hereby appointed as 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 FINANCE LIMITED

Place : **Rajkot**
Date : **28th April 2000**

SUDHIR BHATT
COMPANY SECRETARY

RAJATH FINANCE LIMITED

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 26th May, 2000 to Monday the 29th May, 2000 (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 29th May, 2000, to those members whose names are on the Companies Register of Members on 29th May, 2000.
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 tenure of Mr. Hebri Mohandas Pai as Managing Director expire on 30th April, 2000. The Board of Directors at their meeting held on 23rd March 2000 has reappointed him as Managing Director further for a period of three years w.e.f. 1st May, 2000 on a remuneration as mentioned in the resolution and considering his experience and exposure, proposed the resolution for approval.

Mr. Hebri Mohandas Pai is of the age of 50 years and has overall rich experience of around 29 years in Banking, Leasing and Financial Services Industry.

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None of the Director except Mr. Hebri Mohandas Pai is considered to the concerned or interested in passing of the same resolution.

7. There is a proposal from a member under Section 257 of the Companies Act, 1956 proposing Mr. Parag I. Mody as a candidate for the office of Director of the Company.

Mr. Parag I. Mody is of 34 years of age with qualification of B. B. A. He has an experience of around 9 years in exports and trading business. The Board considers that the Company would benefit with his association with the company and recommends the resolution for your approval.

By Order of the Board of Directors
For and on behalf of
RAJATH FINANCE LIMITED

Place : **Rajkot**
Date : **28th April 2000**

SUDHIR BHATT
COMPANY SECRETARY

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DIRECTORS' REPORT

Dear Shareholders

Your Directors have pleasure in presenting the Fifteenth Annual Report of your Company together with Audited Accounts for the year ended 31st March, 2000.

Financial Results :

(Rs. in Lacs)

	March 31, 2000	March 31, 1999
Total Income	366.32	314.02
Operating Expenditure	170.66	173.55
Profit Before Non-Cash Charges	195.66	140.47
Depreciation & Non-Cash Charges	87.72	87.14
Tax	50.00	16.00
Net Profit	57.94	37.33
Dividend & Dividend Tax	48.84	27.00
Transfer to Reserves	13.39	7.44
Profit & Loss Account	0.26	2.79

Dividend

Your Directors recommend a Dividend of 11% for the year ended 31st march, 2000 on increased capital of Rs. 400 Lacs in comparison to 10% (prorata) declared in last year.

Performance Highlights

The total business was Rs. 1113.39 Lacs compared to Rs. 805 Lacs in previous year. The Net Profit is higher at Rs. 57.94 lacs compared to Rs. 37.33 lacs in previous year. The Net Profit could have been higher but for the higher tax provision of Rs. 50 lacs, due to lower demand for new lease business.

Change of Name

The name of the Company was changed to RAJATH FINANCE LIMITED w.e.f. 08/07/99 to reflect the financing activities and the words "LEASING" was dropped as the company has reduced its exposures to leasing business substantially in past, and obtained fresh certificate of incorporation from the office of Registrar of Companies, Gujarat.

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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 38 as on 31-03-2000 which is substantially higher than the 12% required by the guidelines issued by the Reserve Bank of India.

Fixed Deposits

Total Deposits with the company as on 31st March, 2000 stood at Rs. 512.93 lacs. There were 23 Overdue and Unclaimed Public Deposits of Rs. 6.83 lacs as on 31st March, 2000. Out of this 8 Deposits of Rs. 1.30 lacs have since been paid or renewed. Total Public Deposits as on 31st March, 2000 stood Rs. 373.58 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 N. C Dave and Shri L. J. Ramjani, Directors are retiring by rotation. Shri N.C. Dave being eligible offer himself for reappointment. The Board of Directors recommend his reappointment. Board of Directors place on records the contribution made by Shri L. J. Ramjani Director during his tenure.

Mr. H. M. Pai, Managing Director was reappointed as Managing Director for a period of three years w.e.f. from 1st May, 2000 as per the resolution proposed for approval at this Annual General Meeting.

The Company has received a notice from Member conveying his intention to propose Shri Parag I. Mody 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 willingness to continue as auditors of the Company. The Board of Directors recommend their appointment.

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.