

23rd ANNUAL REPORT

2007-2008



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RAJATH

FINANCE LIMITED

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

Phone : 0281-2447800 Fax : 91-281-2454271

RAJATH FINANCE LIMITED

BOARD OF DIRECTORS :

Shri Hitesh M. Bagdai
Smt. Poonam H. Bagdai
Shri Bhavdeep V. Vala
Shri V. V. Joshi
CA Manish S. Mehta
Dr. K. K. Khakhar

STATUTORY AUDITORS

M/s. S. G. Bhuptani & Associates
Chartered Accountants,
Rajkot

SECRETARIAL AUDITORS

M/s. MJP Associates
Practising Company Secretaries
Rajkot

BANKERS

Indusind Bank Ltd. Rajkot
Corporation Bank, Main Branch, Rajkot

REGISTERED OFFICE

208-215, Star Plaza,
Phulchhab Chowk,
Rajkot - 360 001
(Gujarat)

RAJATH FINANCE LIMITED

NOTICE

NOTICE is hereby given that the Twenty Third Annual General Meeting of the Members of the Company will be held on Saturday, 27th September, 2008 at 11:00 a.m. at the Registered Office of the Company situated at 208-215, Star Plaza, Phulchhab Chowk, Rajkot-360001, to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet on 31st March, 2008 and Profit & Loss Account for the year ended on that day along with the Directors' and Auditor's Report thereon.
2. To appoint Director in place of Shri Hitesh M. Bagdai, who is liable to retire by rotation and being eligible, offers himself for reappointment.
3. To appoint Director in place of Smt Poonam M. Bagdai, who is liable to retire by rotation and being eligible, offers herself for reappointment.

SPECIAL BUSINESS :

4. To pass, with or without modification, the following Resolution, as an Ordinary Resolution :

"RESOLVED THAT in accordance with provisions of Section 257 and other applicable provisions, if any, of the Companies Act, 1956, CA Manish Sampat Mehta, who was appointed as an additional director by the Board, and is eligible for appointment as director, and in respect of whom notice under section 257 of the Companies Act, 1956, has been received, be and is hereby appointed as Director of the Company and he shall be liable to retire by rotation as per provisions of the Companies Act, 1956 read with Articles of Association of the Company".

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all things, deeds, acts as may be necessary in this regard".

5. To pass, with or without modification, the following Resolution, as an Ordinary Resolution :

"RESOLVED THAT in accordance with provisions of Section 257 and other applicable provisions, if any, of the Companies Act, 1956, Dr. Kantilal Kalidas Khakhar, who was appointed as an additional director by the Board, and is eligible for appointment as director, and in respect of whom notice under section 257 of the Companies Act, 1956, has been received, be and is hereby appointed as Director of the Company and He shall be liable to retire by rotation as per provisions of the Companies Act, 1956 read with Articles of Association of the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all things, deeds, acts as may be necessary in this regard".

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6. To pass, with or without modification, the following Resolution, as an Ordinary Resolution :

" RESOLVED THAT in pursuance of provision of Section 224(1) and Section 224(2)(b), read with all applicable provisions, if any, of the Companies Act, 1956, M/s. SADP & Co., Chartered Accountants, be and is hereby appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting at remuneration as may be decided by the Board of Directors of the Company."

" RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all other things, deeds, acts as may be required in this connection."

Place : Rajkot
Date : 30/06/2008

By order of the Board of Directors
For, RAJATH FINANCE LIMITED,

(HITESH M BAGDAI)
Director

RAJATH FINANCE LIMITED

NOTES :

1. All the members entitled to attend and vote at Meeting are entitled to appoint a proxy to attend and vote at the Meeting on his/her behalf and the proxy need not be a member of the Company. The proxy to be valid must reach at the Registered Office at least 48 hours before the Meeting.
2. The share transfer books will remain closed from 13th September, 2008 to 26th September, 2008 (both days inclusive).
3. Members are requested to address all their correspondence at the Registered office of the Company.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

ITEM NO. 4 & 5

Members are aware that CA Manish Mehta and Dr. Kantilal Khakhar, were appointed as additional directors of the Company by the Board of Directors. CA Manish Mehta is a Chartered Accountant by profession and expert in field of finance, accounts and treasury management.

Dr. Khakhar is an eminent economist and is a well known name in the field of economics.

The Company has received notices along with Rs.500/- as deposit in cash, proposing candidature of CA Manish Mehta and Dr. Kantilal Khakhar as Directors of the Company liable to retire by rotation.

The resolutions are proposed as Ordinary Resolutions. CA Manish Mehta & Dr K K Khakhar, being proposed appointees, are interested in this Resolution.

Members are requested to appoint CA Mainsh Mehta and Dr. Kantilal Khakhar as Directors of the Company.

ITEM NO. 6

Members are aware that M/s. S G Bhuptani & Associates, Chartered Accountants, and the statutory auditors of the Company are retiring at the ensuing Annual General Meeting. However, the said firm has shown its unwillingness to continue as Auditors of the Company. Hence, the Board of Directors of the Company is recommending the appointment of M/s SADP & Co, Chartered Accountants, Rajkot, as statutory auditors of the Company.

Hence, members are requested to pass the resolution as an Ordinary Resolution and appoint auditors.

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Details of Directors seeking appointment at the Annual General Meeting

Director's Name	Shri Hitesh M. Bagdat
Date of Birth	18/05/1984
Date of Appointment as Director in Company	27/02/2007
Qualification	B.Sc.
Experience in specific functional area	Wide experience in real estate business and has developed Managerial Excellence.
Directorship held in other public limited Indian Companies (excluding Directorship in Rajath Finance Ltd.)	Nil
Membership/Chairmanship of Committees public limited Indian Companies (excluding Membership/ Chairmanship of Committees in Rajath Finance Ltd.)	Nil

Director's Name	Ms. Poonam H. Bagdat
Date of Birth	09/08/1969
Date of Appointment as Director in Company	27/02/2007
Qualification	B.Sc.
Experience in specific functional area	Experience in real estate business
Directorship held in other public limited Indian Companies (excluding Directorship in Rajath Finance Limited.)	Nil
Membership/Chairmanship of Committees public limited Indian Companies (excluding Membership/ Chairmanship of Committees in Rajath Finance Limited.)	Nil

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Director's Name	CA Manish Mehta
Date of Birth	13/09/1958
Date of Appointment as Director in Company	10/01/2008
Qualification	B.Sc., FCA
Experience in specific functional area	Practising as Chartered Accountant for more than 25 years.
Directorship held in other public limited Indian Companies (excluding Directorship in Rajath Finance Limited.)	Nil
Membership/Chairmanship of Committees public limited Indian Companies (excluding Membership/ Chairmanship of Committees in Rajath Finance Limited.)	Nil

Director's Name	Dr. Kantilal Khakhar
Date of Birth	07/05/1943
Date of Appointment as Director in Company	05/02/2008
Qualification	M.A., Ph.D.
Experience in specific functional area	Served as Professor and Head of the Department of Economics, Saurashtra University for 28 Years. Was Chairman of Saurashtra Kutchh Stock-Exchange Rajkot. Was also Public Representative Director for a term of 3 years in SKSE.
Directorship held in other public limited Indian Companies (excluding Directorship in Rajath Finance Limited.)	Nil
Membership/Chairmanship of Committees public limited Indian Companies (excluding Membership/ Chairmanship of Committees in Rajath Finance Limited.)	Nil

Place : Rajkot
Date : 30/06/2008

By order of the Board of Directors
For, RAJATH FINANCE LIMITED,

(HITESH M BAGDAI)
Director

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REPORT OF BOARD OF DIRECTORS

Your Directors are pleased to present their Twenty Third Annual Report for the year ended on 31st March, 2008.

Financial Results

Your Company's performance for the year ended on 31st March 2008 is summarized as under :

Particular	For the year ended on 31 st March, 2008	For the year ended on 31 st March, 2007
Total Income	7,36,169	1,85,545
Total Expenditure	812,306	13,38,759
Profit (Loss) before Taxation	(76,317)	(11,51,214)
Fringe benefit tax	2,488	29,000
Deferred Taxation	9,875	(67,157)
Profit (loss) after taxation	(68,301)	(11,13,057)
Deficit from previous years	(71,61,579)	(60,48,522)
Balance transferred to Balance - sheet	(72,49,880)	(71,61,579)

Performance Highlights

Members are aware that the Company had almost closed down its business but from this year it has started its business operations and made a considerable income which has reduced the operation loss as compared to the earlier year. The total income of the Company including income from other sources has been derived at Rs. 7,36,169 in financial year 2007-2008 as compared to last year Rs. 1,85,545. The Net loss after taxation comes to Rs.88,301 in financial year 2007-2008 as compared to net loss of Rs.11,13,057 of previous year 2006-2007.

The Company is striving to bring the business in the profit and in the coming years it is envisaged that the performance of the Company will be very good.

RAJATH FINANCE LIMITED

Board's Responsibility Statement

In pursuance of Section 217(2AA) of the Companies Act, 1956, the Directors confirm :

- a) That in the preparation of annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same,
- b) That they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the accounting year and of the profit and loss account for that year ;
- c) That they 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 frauds and other irregularities ;
- d) That they have prepared the annual accounts on a going concern basis.

Personnel

Your Company is not carrying out any significant business activities, and hence, it has very few employees. However, your Company considers human resources as the primary drivers for the growth and development of the Company. During the period under review, your Company has continued its efforts for strengthening the relationships with personnel. Your Company has made the workplace-environment free from any physical, psychological, verbal harassment. All employees of the Company are treated with highest dignity and respect.

Your Board sincerely thanks all the employees who have put in their hard work and helped the Company in this tough periods.

Particulars of Employees

The Company has no employee drawing remuneration exceeding limits as specified in the Companies (Particulars of Employees) Rules, 1975, as amended till date, and hence, particulars as mentioned in Section 217 (2A) of the Companies Act 1956, are not required to be given.

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Directors

Shri Hitesh Bagdai and Ms. Poonam Bagdai, Directors of the Company, are liable to retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment. A brief Resume of Shri Hitesh Bagdai and Ms. Poonam Bagdai, is attached with Notice of the AGM. Further, the Board has appointed CA Manish Mehta and Dr. K K Kulkarni, as Additional Directors w.e.f. 5th February, 2008. However, their appointment is subject to final approval of Members in the ensuing Annual General Meeting.

Increase in Authorised Capital

Your Company has increased its Authorised share Capital from Rs. 5,00,00,000/- divided into 50,00,000/- (Fifty Lacs only) Equity shares to Rs. 10/- each (Rupees Ten only) to Rs. 10,00,00,000 (Rupees Ten crores only) divided into 1,00,00,000 (One crore only) Equity shares of Rs. 10/- (Rupees ten only) each. Accordingly, the Company has altered its Memorandum of Association and Articles of Association.

The Extra Ordinary General Meeting for increase in Authorised Capital was held on 14th May, 2008.

Delisting of Securities from Saurashtra Kutch Stock Exchange Ltd.

The Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2008, provides an option to the Company to seek voluntary delisting of its shares from the Stock Exchanges provided the shares of the Company continue to be listed in a Stock Exchange having nationwide trading terminals, and in such an event, even an exit opportunity is not required to be given to the investors.

In view of the above, the Company has de-listed its shares from Saurashtra Kutch Stock Exchange Ltd. since the scripts of the Company were not actively traded.

The Company's shares continue to be listed at Mumbai Stock Exchange (BSE) and Ahmedabad Stock Exchange (ASE).