

24th ANNUAL REPORT

2008-2009



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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
CA Manish S. mehta
Dr. K. K. Khakhar
Shri Ketan G. Dhulesia

STATUTORY AUDITORS

M/s. SADP & Co.
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,
Phylchhab Chowk,
Rajkot-360 001
(Gujarat)

RAJATH FINANCE LIMITED

NOTICE

Notice is hereby given that the Twenty Fourth Annual General Meeting of the Members of the Company will be held on Saturday, 26th September, 2009 at 11:00 a.m. at the Registered Office of the Company situated at 208-215, Star Plaza, Phulchhab Chowk, Rajkot-360 001, to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt Audited Balance Sheet as on 31st March 2009 and Profit & Loss Account for the year ended on that day along with the Directors' and Auditors Report thereon.
2. To appoint Director in palce of Mr. Bhavdeep Vala, who is liable to retire by rotation and being eligible, offers himself for reappointment.
3. To reappoint, the retiring auditors M/s. SADP & Co., Chartered Accounts, as suditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS :

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

"RESOLVED THAT in accordance with provisions of Section 257 and other applicable provisions, if any, of the Companies Act, 1956, Mr. Ketan G. Dhulesia, 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 Special Resolution :

"RESOLVED THAT pursuant to the applicable provisions of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, Provisions of the Companies Act, 1956 and Securities Contracts (Regulation) Act, 1956, and the Rules made there under, the Listing Agreement with the Saurashtra Kutch Stock Exchange Ltd., and other applicable Rules, Regulations and Guidelines and further subject to the requisite approvals, permissions or consents as may be required, and subject to such conditions and modifications as may be rescribed or imposed while granting such approvals, permissions or consents as may be agreed to by the Board of Directors of the Company, the consent of the Company

be and is hereby accorded to the Board of Directors of the Company to seek voluntary delisting of the Equity Shares of the Company from the Saurashtra Kutch Stock Exchange Ltd, Rajkot at such time or times as the Board may decide."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds, matters and things as it may in its absolute discretion consider necessary, appropriate and incidental thereto to give effect to this resolution including setting of any question with regard thereto and to delegate all or any of the powers herein conferred, to any Director or Directors and/or any officer or Officers of the Company to give effect to this resolution."

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

"RESOLVED THAT pursuant to the applicable provisions of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, Provisions of the Companies Act, 1956 and Securities Contracts (Regulation) Act, 1956, and the Rules made there under, the Listing Agreement with the Ahmedabad Stock Exchange Ltd., and other applicable Rules, Regulations and Guidelines and further subject to the requisite approvals, permissions or consents as may be required, and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions or consents as may be agreed to by the Board of Directors of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to seek voluntary delisting of the Equity Shares of the Company from the Ahmedabad Stock Exchange Ltd, Ahmedabad at such time or times as the Board may decide."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds, matters and things as it may in its absolute discretion consider necessary, appropriate and incidental thereto give effect to this resolution including settling of any question with regard thereto and to delegate all or any of the powers herein conferred, to any Directors and/or any officer or Officers of the Company to give effect to this resolution."

Date : 22/06/2009

Place : Rajkot.

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 18th September, 2009 to 25th September, 2009 (both days inclusive).
3. Members are requested to address all their correspondence at the Registered office of the Company.

Explanatory Statemnt pursauant to Section 173 (2) of the Companies Act, 1956

ITEM NO. 4

Members are aware that Mr. Ketan G. Dhulesia, was appointed as additional director of the Company bey the Board of Directors. Mr. Dhulesia is a well known businessman and having good acumen in business management skills.

The Company has received notices along with Rs. 500/- as deposit in cash, proposing candidature of Mr. Ketan Dhulsia, as Director of the Company liable to retire by rotation.

The Resolution is proposed as ordinary Resolution. Mr. Ketan Dhulesia, being proposed appointee, is interested in this Resolution.

Members are requested to appoint Mr. Ketan Dhulesia as Director of the Company.

ITEM NO. 5 & 6

Members are aware that the equity shares of the Company are loisted at the Mumbai Stock Exchange Ltd. (BSE), the Ahmedabad Stock Exchange Ltd. (ASE), and the Saurashtra Kutch Stock Exchange Ltd. (SKSE). The securities of the Company got listed at the stock exchanges to provide liquidity of the shareholders and investors of the Company.

For quite some thime it has been observed that the scripts of the Company are not actively traded at ASE/SKSE, and volumes of shares in last many years have either been negligible

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or nil. So it is advisable for the Company to take the advantage of voluntary delisting of the securities per SEBI Regulations.

The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, provide 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 at exit opportunity is not required to be given to the investors.

In view of the above, it is proposed to seek voluntary delisting of the Company's shares from the Saurashtra Kutch Stock Exchange Ltd, Rajkot and Ahmedabad Stock Exchange Ltd, Ahmedabad. However the Company's Shares shall continue to be listed at the Bombay Stock Exchange Ltd, Mumbai.

Members are requested to pass both the Resolutions as special Resolutions.

None of the Directors of the Company is interested in the said resolution.

Date : 22/06/2009

Place : Rajkot.

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

(HITESH M. BAGDAI)
Director

RAJATH FINANCE LIMITED

Details of Directors seeking appointment/reappointment at the Annual General Meeting

Directors Name	MR. BHAVDEEP V. VALA
Age	41 years
Date of Appointment as Director in Company	27 th February, 2007
Qualification	B.Com
Exprience in specific functional area	Wide experience in real estate business
Directorship held in other public limited Indian Companies (excluding Directorship in Rajath Finance Limited)	Chaitanya Cineworld Pvt. Ltd. Bleach Marketing Pvt. Ltd. Radheshyam Land Developers Pvt. Ltd. Maruti Nandan Hotel Estate Pvt. Ltd.
Membership/Chairmanship of Committees public limited Indian Companies (excluding Membership/Chairmanship of Committees in Rajath Finance Limited)	Nil

Directors Name	MR. KETAN G. DHULESIA
Date of Birth	13/02/1973
Date of Appointment as Director in Company	31/03/2009
Qualification	Under Graduate
Exprience in specific functional area	Nil
Directorship held in other public limited Indian Companies (excluding Directorship in Rajath Finance Limited)	Ms/. Primerose Mercantile Pvt. Ltd.
Membership/Chairmanship of Committees public limited Indian Companies (excluding Membership/Chairmanship Rajath Finance Limited)	Nil

REPORT OF BOARD DIRECTORS

Your Directors are pleased to present their Twenty Fourth Annual Report for the year ended on 31st March, 2009.

Financial Results

Your Company's performance for the year ended on 31st March 2009 is summarized as under :

(Rupees in lacs)

Particulars	For the year ended on 31st March, 2009	For the year ended on 31st March, 2008
Total Income	38,67,485	7,36,169
Total Expenditure	11,94,299	812,306
Profit (Loss) before Taxation	26,72,986	(76,317)
Provision for current tax	1,48,810	---
Fring benefit tax	4,354	2,488
Deferred Taxation	(28,864)	9,675
Profit (loss) after taxation	25,48,686	(88,301)
Surplus/(Deficit) from previous years	(72,49,880)	(71,61,579)
Balance Transferred to Balance-sheet	(47,01,194)	(72,49,880)

Performance Highlights

During the year under Report, your Company has restarted its operations gradually, and has earned total income of Rs. 38,67,485/- as compared to Rs. 7,36,169/- in the previous year. Further, profit after taxation has been stood at Rs. 25,48,686/- as compared to loss of Rs. 88,301/- in the previous year. Further, the accumulated losses are substantially decreased from Rs. 72,49,880/- of previous year to Rs. 47,01,914 in the current fiscal.

The Company is striving to bring the business in the profits 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 has now recommenced its activities, and is looking to build personnel strength in the organization. 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.

Directors

Mr. Bhavdeep Vala, Director of the Company, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for reappointment. Further, the Board has appointed Mr. Ketan Dhulesia, as an additional director of the Company w.e.f. 31st March, 2009. The Company has received notice proposing his candidature for reappointment as Director. A brief Resume of Mr. Bhavdeep Vala and Mr. Ketan Dhulesia, is attached with Notice of the AGM.

Delisting of Securities from Saurashtra Kutch Stock Exchange Ltd.

The securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, 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, it is proposed to delist the securities of the Company from the Saurashtra Kutch Stock Exchange Ltd and the Ahmedabad Stock Exchange Ltd.

The Company's shares will continue to be listed at Mumbai Stock Exchange Ltd. (BSE).

Corporate Governance

Your Company has adopted Corporate Governance Practices. The Company believes that the Corporate Governance is all about effective management of relationship among constituents of the system, i.e. shareholders, management, employees, customers, vendors, regulatory and the society at large. The Company has strong belief that this relationship can only be built and strengthen through corporate fairness, transparency, and accountability. A detailed report on Corporate Governance is attached to this Report. The Securities and Exchange Board of India (SEBI) has made efforts to strengthen the Clause 49 of the Listing Agreement. Accordingly, a separate Report on Corporate Governance as well as the Certificate from M/s. SADP & Co, Chartered Accountants, and the statutory Auditors of the Company are annexed to this report of Board.

Auditors

M/s. SADP & Co. Chartered Accountants, and retiring statutory auditors of the Company, being eligible offer themselves for reappointment. Members are requested to appoint