

30th Annual report 2014-15

RAJATH Finance Limited

Redg. Office

CIN: L65910GJ1984PLC007486

208 – 215 Star Plaza,

Phulchhab Chowk,

Rajkot – 360 001, Gujarat

Phone : 0281–2447800, Fax : 0281–2454271

E-Mail: rajathfin@hotmail.com

Web: www.rajathfinance.com

Corporate Information:

Board of Directors

Hitesh M Bagdai
Managing Director

Bhavdeep Vala
Executive Director

Kantilal Khakhar
Independent Director

Ketanbhai Dhulesiya
Independent Director

Janish Ajmera
Independent Director

Audit Committee

Kantilal Khakhar, Chairman
Ketan Dhulesiya, Member
Bhavdeep Vala, Member

Nomination

& Remuneration Committee

Kantilal Khakhar, Chairman
Ketan Dhulesiya, Member
Bhavdeep Vala, Member

Shareholder's Grievance

Committee:

Ketan Dhulesiya, Chairman
Kantilal Khakhar, Member
Bhavdeep Vala, Member

Statutory Auditors

S A D P & Co.,
Chartered Accountants,
BB House, 5 – Collegewadi,
Near Kathiawad Gymkhana,
Rajkot – 360 001,
Gujarat

Registrars &

Share Transfer Agent

LINK INTIME INDIA PVT. LTD.
Unit No. 303, 3rd Floor, Shoppers Plaza V,
Opp. Municipal Market, B/h. Shoppers Plaza
Off. C G Road,
Ahmedabad – 380 009
Tele No. 079 – 26465179
Email: ahmedabad@linkintime.co.in

NOTICE

NOTICE is hereby given that the **30th Annual General Meeting** of the Members of the Company will be held on **Friday, 25th September, 2015** 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 the Audited Financial Statements of the Company for the year ended March 31, 2015 and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of **Mr. Hitesh Bagdai**, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of **Mr. Bhavdeep Vala**, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Auditors of the Company and fix their remuneration and to consider and if thought fit, to pass following resolution as an **Ordinary Resolution** thereof:

“RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and the rules made thereunder, and pursuant to the recommendations of the Audit Committee of the Board of Directors, **M/s. SADP & Co., Chartered Accountants** (ICAI Registration No. 124872W), be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting to the conclusion of next Annual General Meeting and that the Board of Directors be and are hereby authorized to fix such remuneration as agreed upon between the Auditors and the Board of Directors.”

Date : 20/08/2015

Place : Rajkot

By Order of the Board of
Directors,
For, Rajath Finance Limited

Sd/-

(HITESH BAGDAI)
Managing Director
DIN: 00575732

Address of Registered Office:

Rajath Finance Limited,

CIN: L65910GJ1984PLC007486

208 - 215 Star Plaza,

Phulchhab Chowk,

Rajkot - 360 001, Gujarat

E-Mail: investorrelationsrajath@hotmail.com

NOTES:

- A. A Member entitled to attend and vote at the Annual General Meeting (“the meeting”) is entitled to appoint a proxy to attend and vote on poll and the proxy need not be a member of the Company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital may appoint a single person as proxy and such person shall not act as a proxy for any other person or member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.
- B. The Register of Members and Share Transfer Books of the Company will remain closed from **September 19, 2015** to **September 24, 2015** (both days inclusive) for the purpose of Annual General Meeting.
- C. Members holding shares in electronic form are hereby informed that the bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change in address, change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.
- D. Members holding shares in physical form are requested to advise any change of address, bank details etc. immediately to the Company’s Registrar and Share Transfer Agents, M/s. Link Intime (India) Private Limited.
- E. Electronic copy of the Annual report is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual report is being sent in the permitted mode.
- F. To promote green initiative, members are requested to register their e-mail addresses through their Depository Participants for sending the future communications by e-mail. Members holding the shares in physical form may register their e-mail addresses through the RTA, giving reference of their Folio Number. Members may also note that the Annual Report for FY 2014–15 will also be available on the Company’s website www.rajathfinance.com for their download.

- G. In terms of Section 152 of the 2013 Act, Mr. Hitesh Bagdai (DIN: 00575732), Managing Director and Mr. Bhavdeep Vala (DIN: 00153775), Director, retire by rotation at this Meeting and being eligible, offer themselves for reappointment. The Board of Directors of the Company commends their respective re-appointments. Brief profiles of Directors are provided in the Corporate Governance Report forming part of the Annual Report.
- H. In Compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing facility to the members to exercise their right to vote at the 30th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting platform provided by National Securities Depository Limited (NSDL).
- I. The person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on Friday, 18th September, 2015 i.e. cutoff date only shall be entitled to avail the facility of remote e-voting as well as the voting in the Annual General Meeting. The members may cast their votes on electronic voting system from place other than the venue of the meeting (remote e-voting). The remote e-voting period will commence at 9.00 a.m. on Monday, 21st September, 2015 and will end at 5.00 p.m. on Thursday, 24th September, 2015. In addition, the facility for voting through electronic voting system shall also be made available at the AGM and the Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to vote at the AGM. The Company has appointed Ms. Purvi G. Dave, Practising Company Secretary, Partner, M/s. MJP Associates to act as the Scrutinizer & scrutinize the entire e-voting process in Annual General Meeting in a fair and transparent manner. The instructions for e-voting with User Id and Password is being sent by electronic mode to all members whose email addresses are registered with the Company/Depository Participant(s) unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies are being sent by the permitted mode. The instructions for remote e-voting are give hereunder after closure of notes.
- J. All documents referred to in the accompanying Notice shall be open for inspection at the Registered Office of the Company during normal business hours (9 A.M. to 5 P.M.) on all working days except Saturdays and Sundays, up to and including the date of the Annual General Meeting of the Company.

Date : 20/08/2015

Place : Rajkot

By Order of the Board of Directors,
For, Rajath Finance Limited

Sd/-
(HITESH BAGDAI)
Managing Director
DIN: 00575732

❖ Instructions for e-Voting:

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and as per clause 35B of the listing agreement, the Company is offering e-voting facility to its members in respect of the businesses to be transacted at the 30th Annual General Meeting of the Company.

The Company has engaged the services of National Securities Depository Limited ("NSDL") as the Authorized Agency to provide e-voting facilities.

The e-voting facility will be available commence at 9.00 a.m. on Monday, 21st September, 2015 and will end at 5.00 p.m. on Thursday, 24th September, 2015.

The cut-off date for the purpose of ascertaining the eligibility of members to avail e-voting facility is September 18, 2015. The voting rights of members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date.

Attention is invited to the statement on the accompanying Notice that all businesses at the meeting may be transacted through electronic voting system and that the Company is providing facility for voting by electronic means.

Please read the instructions given below before exercising the vote.

- i. Open the PDF file "e-Voting.pdf" with your client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
- ii. If you are already registered with NSDL for e-voting then you have to use your existing user ID and Password/ PIN to cast your vote.
- iii. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
- iv. Click on "Shareholder – Login"
- v. Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- vi. Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vii. Home page of e-voting opens. Click on "e-Voting: Active Voting Cycles".

- viii. Select “EVEN” (E-voting Event Number) of Rajath Finance Limited
- ix. Now you are ready for e-voting as Cast Vote page opens.
- x. Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
- xi. Upon confirmation, the message “Vote cast successfully” will be displayed.
- xii. Once you have voted on the resolution, you will not be allowed to modify your vote.
- xiii. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer through e-mail to dave.purvig@gmail.com with a copy marked to evoting@nsdl.co.in

In case of any queries, related to website or other issues you may contact NSDL Help Desk at Tel No. (Toll Free) 1800-222-990 / e-mail at helpdesk@nsdl.co.in

Contact: Mr. Amit – 022-24994360/ Mr. Sagar Dharankar – 022-24994262 / Mr. Rajeev Ranjan – 022-24994738

Mail at:

National Securities Depository Limited,
TradeWorld, 'A'Wing, 4th Floor,
Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel,
MUMBAI 400 013

Email at: evoting@nsdl.co.in

CS (Ms.) Purvi Dave, Partner, *MJP* Associates, Practising Company Secretaries (Membership No. A10462) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

The Results shall be declared on or after the AGM of the Company. The Results along with the Scrutinizer's Report(s) will be available on the website of the Company (www.rajathfinance.com) and on NSDL's website (<https://www.evoting.nsdl.com>) within two (2) days of passing of the resolutions at the AGM and communicated to the BSE Limited and the National Stock Exchange of India Limited, where the shares of the Company are listed.

DIRECTOR'S REPORT

To,
The Members,
Rajath Finance Limited,

Your Directors are pleased to present their **30th Annual Report** for the financial year ended on 31st March, 2015.

FINANCIAL RESULTS:

Your Company's performance for the year ended on 31st March, 2015, is summarized as under:

(Amt. in Rs.)

SR. NO.	PARTICULARS	2014-15	2013-14
1.	Revenue from Operation	40,31,266	31,33,790
2.	Other Income	30,202	1,98,557
3.	Total Revenue (1+2)	40,61,468	33,32,347
4.	Depreciation & Amortization Exp.	2,17,702	1,91,971
5.	Other Expenses	40,33,146	15,19,829
6.	Profit/(Loss) Before Tax	(5,97,605)	12,33,932
7.	Current Tax	11,141	1,07,693
8.	Deferred Tax	4,21,788	(3,17,489)
9.	Profit/(Loss) After Tax (PAT)	(10,30,534)	11,65,607

STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK:

During the year under Report, your Company has recorded the total Revenue from Operations of Rs. 40,31,266/- as compared to Rs.31,33,790/- of previous financial year 2013-14 showing an approximate rise of about 28%. However, due to increasing inflation, unfavourable market conditions and writing off of Bad Debts, the Company has incurred loss of Rs.5,97,605/- as compared to Net Profit of Rs.11,65,607/- of previous year. However, the management assures that the Company will leave no effort unturned to recover the loss in the impending phase and improve the profitability of the Company.

DECLARATION OF DIVIDEND & TRANSFER OF AMOUNT TO RESERVES:

Due to loss, your Board of Directors does not recommend declaration of dividend. Moreover, no amount is being transferred to Reserves during the financial year 2014-15

SHARE CAPITAL:

The paid up Equity Share Capital as on March 31, 2015 was Rs. 4 crores. During the year under review, the Company has not issued any shares or any convertible instruments.

EXTRACT OF ANNUAL RETURN:

Pursuant to Section 134 (3) (a) of Companies Act, 2013, Form MGT 9 i.e. the extract of Annual Return for the Financial Year 2014-15 is enclosed with this report.

BOARD MEETINGS AND INDEPENDENT DIRECTOR'S MEETING:

The Board of Directors of the Company respectively met Five times on 28/05/2014, 02/08/2014, 31/10/2014, 31/01/2015 and 31/03/2015 during the financial year 2014-15.

Further, the Independent Directors meeting was held on 25th March, 2015 to review the performance of non-independent directors and the Board as a whole; review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors and assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

BOARD'S RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Section 134 (5) of the Companies Act, 2013, the Directors based on the information and representations received from the operating management confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed and there are no material departures from the same;
- b) the directors 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 financial year and of the profit and loss of the company for that period;
- c) the directors have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors have prepared the annual accounts on a going concern basis; and
- e) the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively.
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

DECLARATION (OF INDEPENDENCE) BY INDEPENDENT DIRECTORS:

The Company has received declarations from each Independent Director under section 149 (7) of the Companies Act, 2013 that he/ she meets the criteria of independence laid down in Section 149 (6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The Company has the practice to take the declaration of independence from all Independent Directors on his/ her appointment/ re-appointment and also in first meeting of the Board of Directors every year. All these Directors are abiding to intimate to the Board about any change in their status of independence in the very next board meeting after such change.

COMPANY'S POLICY ON DIRECTORS APPOINTMENT, NOMINATION, REMUNERATION AND FORMAL EVALUATION:

Pursuant to provisions of Section 178 (1) of the Companies Act, 2013, the Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection, nomination, appointment and Remuneration of Directors suitably containing the criteria determining qualifications, positive attributes and independence of a Director.

Moreover, in terms of Clause 49 of the Listing Agreement, the Board has carried out annual performance evaluation of its own performance, the directors individually as well the evaluation of the working of its Audit, Nomination & Remuneration and Shareholders Grievance committee.

STATUTORY AUDITOR AND AUDITORS' REPORT:

M/s. SADP & CO., Chartered Accountants, Rajkot, Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment.

The Auditors' Report does not contain any qualification, reservation or adverse remark AND the Notes on financial statements referred to in the Auditors' Report are self-explanatory and do not require any further comments thereon.

SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT:

The Board has appointed Nayna Paramalji Chopra, Practising Company Secretary, to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year ended March 31, 2015 is annexed herewith. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS MADE:

During the year under report, the Company has not granted any loan or provided any guarantee or made any investment exceeding the limits as specified in Section 186 (2) of the Companies Act, 2013. Hence no approval from the shareholders in this regard was required.

PARTICULARS OF CONTRACTS/ARRANGEMENTS WITH RELATED PARTIES:

The Company has not entered into any contract or arrangement with related party which is not at arms' length requiring approval of shareholders in the general meeting as required under section 188 of the Companies Act, 2013. The Audit Committee reviews all the transactions with related party on quarterly basis and recommends the same to the Board for their approval. Your Directors draw attention of the members to Note no. 24 to financial statements which set out related party disclosures.