

24th ANNUAL REPORT

2008-2009



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.

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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

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them as auditors of the Company to hold office from the conclusion of ensuing General Meeting until the conclusion of the next Annual General Meeting of the Company, and to authorize the Board to fix the remuneration of auditors.

Secretarial Audit

As directed by the Securities and Exchange Board of India (SEBI), Secretarial Audit is being carried out at the specified periodicity by M/s. MJP Associates, Practising Company Secretaries, Rajkot.

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC SCENARIO

During the year under report, the world has witnessed one of the worst recessionary conditions in the history. Industrial output figures were shockingly decreasing and as a result, problems such as unemployment, capital adequacy, postponement or cancellation of new projects & establishment etc. arised. However, since last few months, the economy is showing sign of recovery and is expected to be back on track of growth in next one. year.

Industry

Due to overall global scenario, the financial sector of the Country also suffered as setback in last couple of years. Due to the slowdown, the launch of new financial schemes, disbursement of credit facilities, repayment schedules etc. have also been affected badly. However, in the later part of year, the situation has been improving due to stimulous measures of Reserve Bank of India and Union Government. Further, since, last few months, the economy has shown sign of recovery and it is expected that the finance industry will also bounce back in the coming months.

Segments

The Company does not have any segments, and hence, comments are not required.

Performance

The performance of the Company was satisfactory as compared to the earlier years. The Company 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.

Internal Audit System

The company has implemented proper and adequate systems of internal control to ensure that all assets are safeguarded and protected against loss from any unauthorised use or disposition and all transactions are authorised, recorded and reported correctly. The System ensure appropriate information flow to facilitate effective monitoring. The internal audit system also ensures formation and implementation of corporate policies for financial reporting, accounting, and information security.

Outlook for 2009-2010

Your Comapny foresees positive outlook in 2009-2010. Looking into performance of the Company in FY 2008-09, the Company is hopeful to even perform better in year to come. The opportunities in finance sector are vast and the company will leave no efforts to grab each and every opportunity for growth. The Company also expects to derive a greater operating leverage but of its investments, maximizing shareholders' wealth.

Cautionary statements

All statements made in Management and Discussion Analysis have been made in good faith. Many unforeseen factors may come into play and affect the actual results, which could be different from what the management envisages in terms of performance and outlook. Market data, indsutry information etc. contained in this report have been based on information gathered from various published and unpublished reports and their accuracy, reliability, and completeness cannot be assured.

Factors such as economic conditions affecting demand/supply and priced conditions in domestic & international markets in which the Company operates, and changes in Goernment regulations, tax laws, other statutes and other incidental factors, may affect the final results and performance of the company.

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Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

As the Company is engaged in service sector, and since few years activities have been closed down, details of consumption of energy are not required to be given. However the Company has made enough efforts for minimizing the electricity expenses at its office, and thereby putting efforts for conservation of energy. The Company has not taken any significant steps for adoption of new technology during the year under Report.

Acknowledgement

Your directors put on record their whole hearted gratitude to bankers, employees of the Company for their sincere efforts for the Company.

Date : 22/06/2009

Place : Rajkot.

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

(HITESH M. BAGDAI)
Director

(POONAM H. BAGDAI)
Director

ANNEXURE 'A' TO THE DIRECTORS' REPORT CORPORATE GOVERNANCE

Your directors present the Company's Report on Corporate Governance.

1. Company's Philosophy on Corporate Governance :

The Company believes in setting the highest standard of good and ethical corporate governance practices to enhance the long-term shareholder value and protect the interest of shareholders, customers and others.

The main objectives of Corporate Governance are :

1. Maximizing long-term shareholder value in a legal and ethical manner.
2. Ensuring fairness, courtesy and dignity in all transactions within and outside the Bank with customers, investors, employees, competitors, government and the general public.
3. Open, transparent and merit-based management.

The Company is committed to following high standards of transparency, accountability and propriety. The Company has formed various committees of the Board of Directors to monitor the various aspects of the business.

2. Board of Directors

Composition of the Board :

The Company's Board of Directors comprises of Six Directors. Out of them, two directors, Mr. Manish Mehta and Dr. Kantilal Khakhar & Mr. Ketan Dhulesia are independent directors of the Company.

Meetings :

Your Company is regularly convening and holding the Board Meetings and all business transacted therein have been duly recorded in the Minutes book maintained for the purpose.

3. Remuneration to Directors :

Looking into the performance of the Company, the Company has not paid any remuneration, including sitting fees to any of its Directors. The Company does not have any Employee Stock Option Scheme at present.

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4. Details of Directorship/Committee Membership or Chairmanship :

Name of Director	Designation	Number of Share held in Company	Directorship in all Public Limited Companies#	Membership in Committee in all Public Limited Companies#	Chairmanship of Committee in all Public Limited Companies#
Shri Hitesh Bagdai	Director	996853	1	2	Nil
Smt. Poonam H. Bagdai	Director	996851	1	Nil	Nil
Shri Bhavdeep Vala	Director	996851	1	Nil	Nil
Shri V. V. Joshi*	Independent Director	Nil	1	Nil	Nil
Shri Manish Mehta	Independent Director	Nil	1	2	2
Dr. Kantilal Khakhar	Independent Director	Nil	1	2	Nil
Shri Ketan Dhulesia**	Independent	Nil	1	2	Nil

includes Directorship/Membership or Chairmanship of Committee in Rajath Finance Ltd. but excludes Directorship in or Membership or Chairmanship of any Committee in any Private Limited Companies/Foreign Companies.

* Resigned from Board w.e.f. 31st March, 2009.

** Appointed as an additional director w.e.f. 31st March, 2009.

Information placed before the Board directors :

The Company circulates alongwith Notice of the Board Meeting, a detailed Agenda Which, interalia, contain following items, as and when applicable :

- a) Review of annual business plans of the business, capital budgets, and updates,
- b) Quarterly (including periodic) results of the Company,
- c) Materially important show cause, demand, prosecution and penalty notices, if any.
- d) Fatal or serious accidents or dangerous occurrences,
- e) Any material significant effluent or pollution problems,
- f) Any issue which involves possible public or product liability claims of a substantial nature.
- g) Significant development in the human resources and industrial relations fronts,
- h) Status of compliance with all regulatory, statutory and material contractual requirements.

The Board of Rajath Finance Limited is routinely presented with all information under the above heads whenever applicable and materially significant. These are submitted either as part of the agenda papers well in advance of the Board meetings or are tabled in the course of the Board Meetings.

2. Materially significant related party transactions :

There have been no materially significant related party transaction, pecuniary transaction or relationships between Rajath Finance Limited and its directors for the year ended on 31st March, 2009 that may have a potential conflict with the interests of the Company at large.

Please refer Schedule 11 - Notes to the Accounts

3. Composition of Various Committees :

AUDIT COMMITTEE :

a) Composition

The Company has set up Audit committee of three Directors - Shri Hitesh Bagdai, CA Manish Mehta and Dr. K. K. Khakhar. CA Manish Mehta being professionally qualified as a Chartered Accountant, acted as the Chairman of the Audit Committee.

b) Terms of Reference :

The Terms of reference as stipulated by the Board to the Audit Committee are, as contained in the Clause 49 of the Listing Agreement are as follows :

- 1) Oversight of the Company's financial reporting process and the disclosure of its financial information,
- 2) Review of Company's financial and risk management policies,
- 3) Review of accounting and financial policies and practices,
- 4) Review of internal control and internal audit systems,
- 5) Discussion with Internal Auditor and Statutory Auditors on any significant findings and follow-up thereon.
- 6) Reviewing the Company's financial statements and risk management policies.

Shareholders' Grievance Committee

a) Terms of Reference :

The Committee has been given responsibility to look after complaints, if any, of investors to redress the same expeditiously. The Committee also approves requests for issue of duplicate share certificates, splitting/consolidation of share certificates, transfer and transmission of shares etc.

RAJATH FINANCE LIMITED

b) Composition :

The committee comprises of CA Manish Metha, Dr. K. K. Khakhar and Shri Hitesh Bagdai. CA Manish Mehta is the Chairman of the Committee.

c) The Committee has resolved almost all complaints received during the year.

Remuneration Committee

The Company is not making any payment of remuneration to any of Directors, and hence, has not formed the Remuneration Committee.

Communication to shareholders

The quarterly results of the Company are published in any two of leading newspapers of Gujarati and English language.

General Body Meetings

Details of the last three annual general meetings are given below :

Financial Year	Date	Time	Venue
2007-2008	27 th Day of September, 2008	11:00 am	208-215, Star Plaza, Phulchhab Chowk, Rajkot-1.
2006-2007	28 th Day of September, 2007	5:00 pm	208-215, Star Plaza, Phulchhab Chowk, Rajkot-1.
2005-2006	29 th Day of September, 2006	5:00 pm	208-215, Star Plaza, Phulchhab Chowk, Rajkot-1.

4. Shareholder Information

Registered Office

Rajath Finance Limited, 208-215, Star Plaza, Phulchhab Chowk, Rajkot-360 001.

Annual General Meeting

The 24th Annual General Meeting (AGM) of the Company will be held on Saturday, 26th September, 2009 at 11:00 A.M. at registered office of the Company, 208-215, Star Plaza, Phulchhab Chowk, Rajkot-360 001.

Financial Calendar

- | | |
|--|------------------------------------|
| 1. Annual Gneral Meeting | : 26 th September, 2009 |
| 2. Results for Quarter ending 31 th June, 2009 | : Last week of July, 2009 |
| 3. Results for Quarter ending 30 th September, 2009 | : Last week of October, 2009 |
| 4. Results for Quarter ending 31 st December, 2009 | : Last week of January, 2010 |
| 5. Results for Quarter ending 31 st March, 2010 | : Last week of June, 2010 |

Dates of book Closure

The Company's transfer books will be closed from 18th September, 2009 to 25th September, 2009 (both days inclusive) for purpose of Annual General.

Stock Exchange Listing

The Company's shares are presently listed on the Bombay Stock Exchange Ltd, Mumbai, the Ahmedabad Stock Exchange Ltd., Ahmedabad, and Saurashtra Kutch Stock Exchange Ltd., Rajkot.

Stock Code

	Code
Bombay Stock Exchange Ltd.	507962
Ahmedabad StockExchange Ltd.	47818/RAJATHLEAS
Saurashtra Kutch Stock Exchange Ltd.	RAJATHFINANCE

Registrar and Transfer Agents

Company has appointed Registrar and Transfer Agent, the name and address is as follow :

Link Intime India Pvt. Ltd.
211, Sudarshan Complex,
Nr. Mithakhali Under Bridge,
Ellisbridge,
Ahmedabad-380 009.
Phone/Fax - 079-26465179

Share Transfer System

The processing activities with respect to requests received for share transfer are normally completed within 15 working days from the date of request.

Distribution Schedule as on 31st March, 2009

SHARE OR DEBENTURE	NUMBER OF HOLDERS	% OF HOLDERS	TOTAL SHARES	% OF SHARES/ DEBENTURES
01 TO 500	721	94.4950	119745	2.9940
501 TO 1000	22	2.8830	19800	0.4950
1001 TO 2000	3	0.3930	3900	0.0980
2001 TO 3000	1	0.1310	2400	0.0600
3001 TO 4000	1	0.1310	4000	0.1000
4001 TO 5000	0	0.0000	0	0.0000
5001 TO 10000	0	0.0000	0	0.0000
10001 & above	15	1.9660	3850155	96.2540
TOTAL	763	100.00	40,00,000	100.00

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Dematerialization of shares

The Company had signed agreement with National Securities Depositories Ltd. (NSDL), to offer depository services to its shareholders. As on 31st March, 2009, total 38,52,355 equity shares have been dematerialized. Members are requested to dematerialize their shares as early as possible, if not yet dematerialized, so as to get enefits of electronic & paperless equity shares. The Company is in process of admission of its securities in the Central Depository Services Ltd. (CDSL) also and it is expected the necessary formalities will be completed within a month.

Shareholders seeking any information/solution of any problem of query related to shares, share transfer; dematerialisation of shares etc. may kindly contact the Registrar and Transfer Agent of the Company.

ADDRESS FOR CORRESPONDENCE :

Company's Registered office

Rajath Finance Ltd.
208-215, Star Plaza,
Phulchhab Chowk,
Rajkot-360 001.
Phone - 0281-2447800

Share Transfer Agemnt

Link Intime India Pvt. Ltd.
(formerly known as Intime Spectrum Registry Ltd.)
211, Sudarshan Complex,
Nr. Mithakhali Under Bridge,
Ellisbridge,
Ahmedabad-380 009.
Phone/FAX - 079-26465179

DECLARATION REGARDING COMPLIANCE WITH CODE OF CONDUCT [Clause 49(I)(d)]

The company has laid down and adopted "Code of Conduct" for all Board Members and core management team of the Company. The Company believes that such Code of Conduct is necessary for best Corporate Governance practices, and expects that all Board Members and Core management team adhere to this Code of Conduct.

It is hereby affirmed that all the Directors and Senior Management personnel have complied with the Code of Conduct and have given a confirmation in this regard.

Date : 22/06/2009
Place : Rajkot.

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

(HITESH M. BAGDAI)
Director

(POONAM H. BAGDAI)
Director

RAJATH FINANCE LIMITED

MANAGING DIRECTOR / JOINT MANAGING DIRECTOR CERTIFICATION FOR FINANCIAL STATEMENTS (CLAUSE 49V OF LISTING AGREEMENT)

We have reviewed financial statements and cash flow statements for the financial year 2008-09 ended on 31st March, 2009, and to the best of our knowledge and belief :

- (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (b) These statements together present true and fair view of the Company's affairs and in compliance with existing accounting standards, applicable laws and regulations;
- (c) No transactions entered into by the Company during the aforesaid year, which are fraudulent, illegal or in violation of the Company's code of conduct.

Further, we accept that it is our responsibility to establish and maintain internal controls. We have evaluated the effectiveness of internal control system of the Company and have disclosed to the auditors and the Audit Committee, wherever applicable :

- (a) Deficiencies in the design or operation of internal controls, if any, which came to our notice and steps have been taken/proposed to be taken to rectify these deficiencies.
- (b) Significant changes in the internal control during the year.
- (c) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements.
- (d) Instances of significant fraud of which we became aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

Date : 22/06/2009

Place : Rajkot.

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

(HITESH M. BAGDAI)
Director

(POONAM H. BAGDAI)
Director

Auditors' Certificate on Corporate Governance

To the members of Rajath Finance Limited, Rajkot.

We have examine the compliance of corporate governance by RAJATH FINANCE LIMITED, for the year ended on 31st March, 2009, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the other conditions of Corporate Governance as stipulated in the abovementioned listing Agreement. As per the records maintained by the Company no investor grievance is pending for a period exceeding one month.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of
SADP & Co,
Chartered Accountants

(S.G. Bhuptani)
Partner
M. No. : 107361
Place : Rajkot.

Date : 12th June, 2009

RAJATH FINANCE LIMITED

AUDITORS' REPORT

To,
The Members of Rajath Finance Limited

1. We have audited the attached Balance Sheet of **Rajath Finance Limited** as at **31st March, 2009** and the Profit and Loss Account for the year ended on that date both of which we have signed under reference to this report. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report), 2003 issued by the Central Government of India in terms of section 227(4A) of the Companies Act, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further 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 purposes of our audit.
 - b. In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of such books.
 - c. The Balance Sheet referred to in this report is in agreement with the books of account.
 - d. In our opinion, this financial statement have been prepared in compliance with the applicable accounting standards referred to in section 211(3C) of the Companies Act, 1956.
 - e. Based on the representations made by all the Directors of the Company as on **March 31, 2009** and taken on record by the Directors of the company and in accordance with the information and explanations as made available the Directors

of the Company do not prima facie have any disqualification as referred to in clause (g) of subsection (1) to section 274 of the Act.

- f. In our opinion, and to the best of our information and according to the explanations given to us, the said Balance-Sheet and Profit & Loss Account read together with the notes thereon give the information required and give a true and fair view:
- i. In the case of Balance Sheet, of the state of affairs of the company as at 31st March, 2009; and
 - ii. In the case of the Profit and Loss Account, of the profit for the year ended on that date.

Place : Rajkot.

Date : 12/06/2009

For SADP & Co.

Chartered Accountants

S. G. Bhuptani

Partner

Membership No. 107361

RAJATH FINANCE LIMITED

ANNEURE REFERRED TO IN PARAGRAPH 3 OF THE AUDITOR'S REPORT ON THE ACCOUNTS OF RAJATH FINANCE LIMITED FOR THE YEAR ENDING 31st MARCH, 2009

As required by the Companies (Auditor's report) Order, 2003 issued by the central Government of India in terms of section 227(4-A) of the Companies Act, We report that :

1. In respect of fixed assets :
 - (A) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
 - (B) As explained to us, all the fixed assets have been physically verified by the management during the year at reasonable intervals, which in our opinion, is reasonable having regard to the size of the company and the nature of assets. No material discrepancies were noticed on such physical verification.
 - (C) In our opinion the Company has not disposed off any substantial/major part of fixed assets during the year and the going concern status of the company is not affected.
2. Since the Company does not have any inventory, the requirement of reporting on physical varification of inventory and maintenance of inventory records, inour opinion, does not arise.
3. In respect of loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 :
 - (A) The company had granted Loans to TWO parties of Rs. 100 Lac. At the year end the outstanding balance of such loans granted was Rs. 100 Lac and the maximum amount involved during the year was Rs. 100 Lac.
 - (B) As per our observation & explanation, the rate of interest and other terms and conditions of loans given by the company to the aforesaid persons are not prima facie prejudicial to the interest of the company.
 - (C) As per the audit of books of accounts, the receipt of interest on such loans is regular & no principle repayment has been made during the year.
 - (D) As per the information & osbervation no overdue amount on such loans has beenoverdue on such loans granted by the company.
 - (E) According to the information and explanation given to us, the Company has not taken loans, secured or ssecured, from any party listed in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company

and nature of its business with regard to purchase of inventory and fixed assets and with regard for the sale of goods and services. During the course of audit, no major weakness has been noticed in the internal control.

5. In respect of contracts or arrangements entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956.
 - (A) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements that needed to be entered in the register maintained under section 301 of Companies Act 1956 have been so entered.
 - (B) In our opinion and explanation given to us, the transactions made by the company in pursuance of such contracts & arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public and therefore, the provisions of Section 58A and 58AA of the Companies Act, 1956 and Rules made there under are not applicable to the Company.
7. In our opinion, the company has a proper internal audit system commensurate with its size and nature of its business.
8. As explained to us, the provisions section 209(1) (d) are not applicable to the company as the Company is not engaged in production, processing, manufacturing or mining activities.
9. In respect of statutory dues :
 - (A) According to the information and explanations given to us, the company was generally regular in depositing dues in respect of Employees Provident Fund, Employees State Insurance Fund, Income Tax and other statutory dues with the appropriate authority during the year except in the payment of tax deducted at source but no outstanding dues exists for more than six months.
 - (B) According to the records examined by us and the information and explanations given to us, there are no disputed amounts due in respect of income tax, sales tax, excise duty, Employees provident fund, Employee state insurance fund and other statutory dues at the end of the year.
10. The Company does not have accumulated losses more than fifty percent of its net worth as at the end of the year and the Company has not incurred cash losses during current year or in the year immediately preceding the previous year.
11. Based on our audit procedures and on the basis of information and explanations given by the management, the Company has not defaulted in the repayment of dues to banks, financial institutions and Debentures holders during the year.

RAJATH FINANCE LIMITED

12. In our opinion and according to information and explanation given to us, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other security.
13. In our opinion the company is not a Chit Fund, Nidhi or Mutual Benefit Fund/Society. Therefore, the provisions of clause 4 (XIII) of the CARO, 2003 are not applicable to the Company.
14. The company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the order are not applicable.
15. According to the records of the Company and information and explanations given to us, the Company has not given guarantees for loans taken by other from banks and financial institutions.
16. In our opinion and according to information and explanation given to us, the Company has not availed of any term during the year. There were no term loans outstanding as at the beginning and as at end of the year.
17. According to the information and explanations given to us and on examination of balance sheet, funds raised on short term basis have, prima facie, not been used during the year for long term investment and vice versa.
18. The company has not made any preferential allotment to parties and companies covered under register maintained under Section 301 of the Companies Act, 1956 during the year.
19. The Clause 13 of the order is not applicable, as the company has not issued any debentures during the year.
20. The Company has not raised money by any public issues during the year and hence the question of disclosure and verification of end use of such money does not arise.
21. In our opinion and according to the information and explanations given to us no fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially misstated.

Place : Rajkot

Date : 12/06/2009

For SADP & Co.
Chartered Accountants

(S. G. Bhuptani)
Partner
Membership No. 107361

BALANCE SHEET AS ON 31st MARCH, 2009

PARTICULARS		SCH. No.	AMOUNT RS. 31.03.09	AMOUNT RS. 31.03.08
A	SOURCE OF FUND :			
I	SHARE HOLDERS' FUND :			
	(a) Share Capital	1	40,000,000	40,000,000
	(b) Reserves & Surplus	2	6,587,174	6,077,437
II	DEFERRED TAX LIABILITY		764,226,	793,090
	Total....		47,351,400	46,870,527
B	APPLICATION OF FUND :			
I	FIXED ASSETS	3	6,791,507	6,786,007
	Less : Accumulated Depreciation		(2,774,718)	(2,554,881)
	NET BLOCK		4,016,789	4,231,126
II	INVESTMENTS	4	310,763	310,763
III	CURRENT ASSETS, LOANS & ADVANCES	5	38,046,046	35,223,469
IV	LESS : CURRENT LIABILITIES & PROVISIONS	6	233,129	144,711
	NET CURRENT ASSET...		37,812,917	35,078,758
V	PROFIT & LOSS ACCOUNT		5,210,931	7,249,880
	Total...		47,351,400	46,870,527
	NOTES ON ACCOUNT	11		

For SADP & Co.
Chartered Accountants

For, **RAJATH FINANCE LIMITED**

(S. G. Bhuptani)
Partner
Membership No. 107361

(**HITESH M. BAGDAI**)
Director

(**POONAM H. BAGDAI**)
Director

Place : Rajkot
Date : 12th June, 2009.

RAJATH FINANCE LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31st MARCH, 2009

PARTICULARS		SCH. No.	AMOUNT RS. 2009	AMOUNT RS. 2008
A INCOME				
1	Income from operations	7	3,639,987	572,692
2	Other Income	8	227,498	163,477
Total...			3,867,485	736,169
B EXPENDITURE				
1	Operating expenditure	9	974,662	593,063
			974,662	593,063
Profit/(Loss) before Non-cash/Nonoperating charges			2,892,823	143,106
Less : Non-cash/Non-operating charges		10	219,837	219,243
Profit/(Loss) before tax			2,672,986	(76,137)
Less : Provision for Current Tax			148,810	---
Provision for Fringe Benefit Tax			4,354	2,488
Provision for Deffered Tax			(28,864)	9,676
Profit/(Loss) after tax			2,548,686	(88,301)
Less : Taxation adjustment f previous year				---
			2,548,686	(88,301)
Add : Surplus/(Defecit) of the previous year			(7,249,880)	(7,161,579)
Profit/(Loss) Before Appropriations			(4,701,194)	(7,249,880)
C APPROPRIATIONS				
1	Gneral Reserves		---	---
2	Special reserves u/s. 45 IC of the RBI Act, 1934		509,737	---
3	Proposed dividend		---	---
4	Dividend tax		---	---
5	Deficit carried forward		(4,701,194)	(7,249,880)
Balance carried to Balance Sheet			(5,210,931)	(7,249,880)

Basic Earning per Share

0.64

(0.02)

For SADP & Co.
Chartered Accountants

For, RAJATH FINANCE LIMITED

(S. G. Bhuptani)
Partner
Membership No. 107361

(HITESH M. BAGDAI)
Director

(POONAM H. BAGDAI)
Director

Place : Rajkot
Date : 12th June, 2009.

24th ANNUAL REPORT

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31st MARCH, 2009

	PARTICULARS	AMOUNT RS. 2009	AMOUNT RS. 2008
SCHEDULE-1 SHARE CAPITAL :			
A	AUTHORISED SHARE CAPITAL :		
	5000000 Equity share each of Rs. 10/-	50,000,000	50,000,000
		50,000,000	50,000,000
B	PAID UP SHARE CAPITAL :		
	4000000 Equity Share each of Rs. 10/-	40,000,000	40,000,000
	Total...	40,000,000	40,000,000
SCHEDULE-2 RESERVS & SURPULUS :			
	1 Capital Reserve	56,500	56,500
	2 General Reserve	2,730,931	2,730,931
	3 Special Reserve	3,799,743	3,290,006
	Total..	6,587,174	6,077,437
SCHEDULE-4 INVESTMENTS (At Cost) Nos. Nos.			
		31.03.09	31.03.08
A	Investments (Quoted)		
	1 UTI Master Gain	23300	23300
	2 Kesoram Textiles Ltd.	6000	6000
		309,263	309,263
		1,500	1,500
		310,763	310,763
Average Market Value of Quoted Investment as on 31.03.02009 was Rs. 6.63 Lac			
	Total...	310,763	310,763
SCHEDULE-5 CURRENT ASSETS, LOANS & ADVANCES :			
A	Cash Assets		
	1 Cash onhand	4	2,442
	2 Current Accounts with Scheduled Baks	89,884	2,428,652
	Sub Total..	89,888	2,431,094
B	Others		
	1 Short Terms Loans (Unsecured considered good)	32,417,377	3,517,377
	2 Advances receivable in cash or kind or for value to be received	1,480,000	26,500,000
	3 Income Tax	1,862,552	2,579,229
	4 Interest Receivable	2,001,160	---
	5 Deposits	195,069	195,769
	Sub Total...	37,956,158	32,792,375
	Total...	38,046,046	35,223,469

SCHEDULE-3 FIXED ASSETS

SI.	ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Balance as on 01.04.08	Addition during the year	Deduction during the year	Blanace as on 31.03.09	Balance as on 01.04.08	Addition during the year	Written back during the year	Blanace as on 31.03.09	Blanace as on 31.03.08	Blanace as on 31.03.09
1	Premises	3,698,563	--	--	3,698,563	547,488	60,287	--	607,775	3,151,075	3,090,788
2	Furniture & Fixtre	2,173,163	--	--	2,173,163	1,256,612	136,585	--	1,393,197	916,551	779,966
3	Office equipments	207,544	--	--	207,544	103,007	9,858	--	112,865	104,537	94,679
4	Air conditioners	39,131	--	--	39,131	11,461	1,859	--	13,320	27,670	25,811
5	Computers	667,606	5,500	--	673,106	636,313	11,248	--	647,561	31,293	25,545
	Total...	6,786,007	5,500	--	6,791,507	2,554,881	219,837	--	2,774,718	4,231,126	4,016,788
	Previous Year	6,786,007	--	--	6,786,007	2,335,638	219,243	--	2,554,881	4,450,369	4,231,126

PARTICULARS	AMOUNT RS. 2009	AMOUNT RS. 2008
SCHEDULE-6 CURRENT LIABILITIES & PROVISION :		
A Current Liabilities		
1 Statutory Liabilities	7,242	6,056
2 Audit Fees	12,133	11,798
3 Sundry Expenses	1,590	52,547
4 Salary Payable	29,086	22,163
5 Sundry Creditors	34,268	52,147
6 Income Tax Provision	148,810	--
Total....	233,129	144,711
SCHEDULE-7 INCOME FORM OPERATIONS :		
1 Interest	3,639,987	572,692
Total....	3,639,987	572,692
SCHEDULE-8 OTHER INCOME :		
1 Sales Tax Refund	--	162,205
2 Dividend	--	1,272
3 Interest on Income-tax Refund	227,498	--
Total....	227,498	163,477
SCHEDULE-9 OPERATING EXPENSES :		
1 Advertisement	36,198	20,905
2 Audit fee	11,335	11,798
3 Bank Charges	125	1,201
4 Bonus Expenses	17,380	--
5 Conveyance & travelling	5,050	1,876
6 Conveyance & travelling to directors	183,791	83,114
7 D-Mat Charges	5,037	2,240
8 Electricity Charges	14,465	15,019
9 Income Tax Expense	25,608	--
10 Insurance	6,611	7,067
11 Interest on FBT	27	--
12 Interest on TDS Late Payment	53	--
13 Legal & Professional Fees	327,061	119,079
14 Listing Fees	19,511	27,600
15 Miscellaneous Expenses	32	591
16 Office Expenses	30,074	18,083
17 Periodicals & news papers	958	1,026
18 Postage & telephone & telex	25,656	31,363
19 Printing & Stationery	42,296	22,555
20 Rate & Taxes	53,788	49,038
21 Repairs & renewals	3,900	3,545
22 Salaries & Allowances	165,706	176,963
Total....	974,662	593,063
SCHEDULE-10 NON-CASH/NON-OPERATING CHARGES WRITTEN OFF. :		
1 Depreciation	219,837	219,243
Total....	219,837	219,243

RAJATH FINANCE LIMITED

SCHEDULE-11 : NOTES TO THE ACCOUNTS

(Forming Part of the Accounts for the Year ended 31st March, 2009)

1. Significant Accounting Policies :

The accounts are prepared in accordance with accounting policies and principles generally accepted in India. The Company follows the accrual method of accounting as per the Companies Act, 1956 and complies with the Reserve Bank of India guidelines for Non Banking Financial Companies. The accounts have been prepared on going concern basis.

(a) Income :

Income is recognised on accrual basis. Dividend are recognised as and when received.

(b) Expenditure :

The Expenses incurred by the Company are accounted for on accrual basis. Provision.

(c) Investments :

All long term investments are valued at cost.

(d) Fixed Assets

Fixed Assets are accounted for in the books at cost including incidental charges, if any, less accumulated depreciation.

(e) Depreciation on Fixed Assets :

The Company provides depreciation on straight line method at the rates prescribed under Schedule XVI to the Companies Act, 1956 with reference to completed months of installation.

(f) Taxes on Income :

(i) Current Tax is determined as the amount of tax payable in respect of taxable income for the period.

(ii) Deferred tax is recognised, subject to the consideration of prudence, on timing difference, being the difference between taxable income & accounting income that originate in one period and are capable of reversal in one or more subsequent.

2. Related Party Disclosures :

(a) List of related parties and relationship

Sr. No.	Parties	Relation
1.	M/s. Hitraj Traders	Associates Concerns
2.	Hitraj Realities Pvt. Ltd.	
3.	Hitraj Developers Pvt. Ltd.	
4.	Balaji Nandan Infracon Developers Pvt. Ltd.	
5.	Akash Enterprise	
6.	Chaitanya Cineworld Pvt. Ltd.	
7.	Bleach Marketing Pvt. Ltd.	
8.	Radheshyam Land Developers Pvt. Ltd.	
9.	Maruti Nandan Hotel Estate Pvt. Ltd.	
	Key Management Personnel :	
1.	Mr. Hitesh M. Bagadai	Directors
2.	Mrs. Poonam H. Bagdai	

(b) Related parties Transactions

Transactions	Associates	Key Management	Total
Finance Provided	10,00,000	--	10,000,000
Remuneration Paid	--	--	--
Advance for Purchase of Property	1,400,000	--	1,400,000
Share Application Money	--	--	--

3. Other Notes :

(a) Audit Fees and Legal Expenses include auditors' remuneration as follows :
(in Rs.)

Sr. No.	Particulars	F.Y. 2008-09	F.Y. 2007-08
1.	As Auditors	11,335	11,798
2.	As Advisors	--	--
3.	In any other capacity	7,500	7,900
	Total	18,835	19,698

(b) Deferred Tax :

(I) Deferred Tax has been provided in accordance with AS-22 Accounting for Taxes on Income issued by the Institute of Chartered Accountants of India with effect from 1st April, 2001.

(II) The break-up of net deferred tax liability as on 31st March, 2009 is as under :

Particulars	31.03.09 Amt.	31.03.08 Amt.
WDV as per books	4,016,781	4,231,126
WDV as per IT	1,543,557	1,715,979
Difference in WDV	2,473,224	2,515,147
House Tax Disallowed u/s. 43B of I.T. Act, 1961	--	49,038
Legal Exp. Disallowed u/s. 40(a) of I.T. Act, 1961	--	2,450
Total	2,473,224	2,566,635
Applicable Tax Rate	30.90%	30.90%
Deference Tax Liability	764,226	793,090
Increase/(Decrease) in Deferred Tax Liability	(28,864)	9,675

- (c) The Hon'ble Gujarat High Court has dismissed the Writ Petition filed by the Company challenging the validity of the notice issued u/s. 148 of the Income-tax Act, 1961 for the A.Y. 1988-89 to 1994-95. In view of the said decision the notices issued by the department have attained legality and the proceeding shall take place accordingly. However, since the proceeding has yet to attain finality, no provision of tax liability has been made by the company in the books of account.
- (d) The Company had purchased 23,300 nos. of Master Gain. The same were misappropriated in transit. The company had filed suit before the Hon'ble Civil Court Rajkot. The same was disposed in favour of the Company and an execution application has also been filed, which is pending for disposal before the Hon'ble Civil Court Rajkot.
- (e) The figures have been rounded off to the nearest rupee and figures of previous year have been regrouped or rearranged wherever necessary to make them comparable with current year's figures.
- (f) The balance of short term loan and advances receivable in cash or kind are subject to reconciliation and confirmation.

As per our Report of even dated attached

For SADP & Co.
Chartered Accountants

For, **RAJATH FINANCE LIMITED**

(S. G. Bhuptani)
Partner
Membership No. 107361

(HITESH M. BAGDAI)
Director

(POONAM H. BAGDAI)
Director

Place : Rajkot
Date : 12th June, 2009.

RAJATH FINANCE LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1 REGISTRATION DETAILS :

Registration No.	7486
State Code	04
Balance Sheet Date	31.03.2009

2 CAPITAL RAISED DURING THE YEAR (AMOUNT IN THOUSAND) :

Public Issue	Nil
Right Issued	Nil
Bonus Issue	Nil
Private Placement	Nil

3 POSITION OF MOBILISATION & DEPLOYMENT OF FUNDS(AMOUNT IN THOUSAND)

:

Total Liabilities	46,870.53
Total Assets	46,870.53

Source of Funds :

Reserves & Surplus	6,077.44
Paid-up Capital	40,000.00
Deferred Tax Liability	793.09
Secured Loan	Nil
Share Application	--

Application of Funds :

Net Fixed Assets	4,231.13
Investments	310.76
Net Current Assets	35,078.76
Miscellaenous Exp.	--
Accumulated Losses	7,249.88

4 PERFORMANCE OF COMPANY (AMOUNT IN THOUSAND) :

Turnover (Incl. other Income)	3,867.49
Total Expenditure	1,194.50
Profit/Loss before tax	2,672.99
Profit/Loss after tax	2,548.69
Earning per share	0.64
Dividend per share	Nil

5 GENERIC NAMES OF THREE PRINCIPAL PRODUCTS OF THE COMPANY (AS PER MONETARY TERMS) :

Item Code No. (ITC Code)	Nil
Product Description	Loan

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31st, 2009

Sl.	Particulars	2008-09	2007-08
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit/(Loss) after tax	2,548,686	(88,301)
	Add :	--	--
	Provision for current tax	148,810	--
	Provision for Deferred Tax	(28,864)	9,676
	Provision for Fringe Benefit Tax	4,354	2,488
	Financial Expenses	--	--
	Depreciation	219,837	219,243
	Depreciation adjustment A/c.	--	--
	Interest tax provision written back	--	--
	(Profit)/Loss on sale of assets	--	--
	(Profit)/Loss on sale of investment	--	--
	Income from Investments/Interest	--	--
	Dividend received	--	(1,272)
	Operating profit before working capital	2,892,823	141,834
	(Increase)/Decrease in Loans and Advances	(3,880,000)	(29,917,377)
	(Increase)/Decrease in other receivables	(1,283,783)	2,346
	Increase/(Decrease) in current liabilities	(64,746)	14,226
	Cash generated from operations	(2,335,706)	(29,758,971)
	Less : Direct tax paid	--	--
	Net cash flow from operating activities	(2,335,706)	(29,758,971)
B.	CASH FLOW FROM INVESTMENT ACTIVITIES :		
	Purchase of fixed assets	(5,500)	--
	Sale of fixed assets	--	--
	Purchase of investments	--	--
	Sale of investments in RMC Bonds	--	--
	Sale of investments in group companies	--	--
	Investment Income received	--	--
	Dividend received	--	1,272
	Net Cash flow in Investing Activities	(5,500)	1,272
C.	CASH FLOW FROM FINANCING ACTIVITIES :		
	Increase/(Decrease) in Bank borrowing	--	--
	Increase/(Decrease) in fixed deposits	--	--
	Dividend paid	--	--
	Dividend tax paid	--	--

RAJATH FINANCE LIMITED

Net cash flow from financing activities	--	--
Net increase / (decrease in cash and cash equivalents : (A+B+C)	(2,341,206)	(29,757,699)
Cash and cash equivalents at the begning of the year	2,431,094	32,188,794
Cash and cash equivalents at the end of the year	89,888	2,431,095

CERTIFICATE

To,
The Members of
RAJATH FINANCE LIMITED
RAJKOT

We have examined the attached Cash Flow Statement of Rajath Finance Limited for the year ended 31st March, 2009. The statement has been prepared by the Company in accordance with the requirement of listing agreement Clause 32 with Bombay Stock Exchange, Ahmedabad Stock Exchange and Saurashtra-Kutch Stock Exchange Limited, Rajkot and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of even dated to the Members of the Company

Place : Rajkot.
Date : 12th June, 2009

For SADP & Co.
Chartered Accountants

(S. G. Bhuptani)
Partner
Membership No. 107361

**Schedule to the Balance Sheet of a deposit taking Non-Banking Financial
Company For the year ended 31st March, 2009
(as required in terms of Paragraph 13 of
Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential
Norms (Reserve Bank) Directions, 2007)**

(Rs. in lakh)

Particulars

Liabilities side :		
(1)	Loans and advances availed by the NBFCs in inclusive of interest accrued thereon but not paid :	Amount out Amount standing overdue
(a)	Debtentures :	
	(1) Secured	Nil
	(2) Unsecured (other than falling within the meaning of public deposits*)	Nil
(b)	Deferred Credits	Nil
(c)	Term Loans	Nil
(d)	Inter-corporate loans and borrowing	
(e)	Commercial Paper	Nil
(f)	Public Deposits*	
(g)	Other Loans (specify nature)	Nil
	* Please see Note 1 below	
(2)	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):	
(a)	In the form of Unsecured debtentures	Nil
(b)	In the form of partly secured debtentures i.e. debtentures where there is a shortfall in the value of security	Nil
(c)	Other public deposits	Nil
	* Please see Note 1 below	
Assets side :		
		Amount outstanding
(3)	Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:	
(a)	Secured	Nil
(b)	Unsecured	324.17
(4)	Break-up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities	
(i)	Lease assets including lease rentals under sundry debtors :	
(a)	Financial lease	Nil
(b)	Operating lease	Nil
(ii)	Stock on hire including hire charges under sundry debtors :	
(a)	Assets on hire	Nil
(b)	Repossessed Assets	Nil

RAJATH FINANCE LIMITED

(iii) Hypothecation loans counting towards EL/HP activities

(a) Loans where assets have been repossessed Nil
 (b) Loans other than (a) above Nil

(5) Break-up of Investments:

Current Investments :

1. Quoted :

(i) Shares : (a) Equity Nil
 (b) Preference Nil
 (ii) Debentures and Bonds Nil
 (iii) Units of mutual funds Nil
 (iv) Government Securities Nil
 (v) Others (please specify) Nil

2. Unquoted :

(i) Shares : (a) Equity Nil
 (b) Preference Nil
 (ii) Debentures and Bonds Nil
 (iii) Units of mutual funds Nil
 (iv) Government Securities Nil
 (v) Others (Please specify) Nil

Long Term investments :

1. Quoted :

(i) Share : (a) Equity Nil
 (b) Preference Nil
 (ii) Debentures and Bonds Nil
 (iii) Units of mutual funds 03.09
 (iv) Government Securities Nil
 (v) Others (Please specify) Nil

2. Unquoted :

(i) Shares : (a) Equity 00.02
 (b) Preference Nil
 (ii) Debentures and Bonds Nil
 (iii) Units of mutual funds Nil
 (iv) Government Securities Nil
 (v) Others (Please specify) Nil
 Nil
 Nil

(6) Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances :

Please see Note 2 below

Category

Loans & Advances

1. Related Parties

(a) Subsidiaries Nil
 (b) Companies in the same group 100.00
 (c) Other related parties Nil
 2. Other than related parties 224.17
 Total 324.17

Amount net of provisions

Secured Unsecured
 Total

- (7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :
Please see note 3 below

Category	Market Value (Net Break up or of Provisions) fair value or NAV
Quoted Investments	
1. Related Parties**	
(a) Subsidiaries	Nil
(b) Companies in the same group	Nil
(c) Other related parties	Nil
2. Other than related parties	06.63
Total	06.63

**As per Accounting Standard of ICAI (Please see Note 3)

(8) Other information Particulars	Amount
(i) Gross Non-performing Assets	
(a) Related parties	Nil
(b) Other than related parties	Nil
(ii) Net Non-Performing Assets	
(a) Related parties	Nil
(b) Other than related parties	Nil
(iii) Assets acquired in satisfaction of debt	Nil

Notes :

1. As defined in Paragraph 2(1) (xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
2. Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.
3. All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (5) above.

For SADP & Co.
Chartered Accountants

(S. G. Bhuptani)
Partner
Membership No. 107361

Place : Rajkot
Date : 12th June, 2009.

RAJATH FINANCE LIMITED

REG. OFFICE : 208-215, Star Plaza, Phylchhab Chowk, Rajkot-360 001 (Gujarat)

PROXY

Reference Folio :

I/We _____ of _____ being a member/members of

RAJATH FINANCE LIMITED, hereby appoint _____ of _____ (or failing him) _____ as my/our

proxy to attend and vote for me/us and on my/our behalf at **24th ANNUAL GENERAL MEETING** of the Company to be held on **26th September, 2009** or any adjournment thereof.

AS WITNESS my/our hand this _____ day of _____ 2009

Signed by the said _____

1 Rupee
Revenue
Stamp

Signature

NOTE : The proxy must be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting.

RAJATH FINANCE LIMITED

REG. OFFICE : 208-215, Star Plaza, Phylchhab Chowk, Rajkot-360 001 (Gujarat)

ATTENDANCE SLIP

Please complete this attendance slip and hand it over at the Entrance of the Hall.

I hereby record my presence at the 24th ANNUAL GENERAL MEETING held at 208-215, Star Plaza, Phulchhab Chowk, Rajkot on Saturday, the 26th September, 2009 at 11:00 a.m.

NAME OF THE SHAREHOLDER : _____
(IN BLOCK LETTERS)

SIGNATURE OF THE SHAREHOLDER OR PROXY : _____

Reference Folio : _____

PLEASE RETAIN THIS COUNTERFOIL TILL THE END OF THE MEETING.

Reference Folio

Jointly with