

**25<sup>TH</sup> ANNUAL REPORT  
2009-2010**



**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  
Shri Bhvdeep 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

## **RAGISTRARS & SHARE TRANSFER AGENTS**

M/s. Link Intime India Pvt. Ltd.  
Ahmedabad

## **REGISTERED OFFICE**

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

# RAJATH FINANCE LIMITED

## NOTICE

Notice is hereby given that the Twenty Fifth Annual General Meeting of the members of the company will be held on wednesday, 25th August, 2010 at 11:00 a.m. at the Registered Office of the Company situated at 208-215, Star Plaza, Phulchhob Chowk, Rajkot-360 001, to transact the following business

### ORDINARY BUSINESS:

1. To receive, consider and adopt audited balance Sheet as on 31st March 2010 and Profit & Loss Account for the year ended on that day along with the Directors and Auditors Report and thereon.
2. To appoint Director in place of Dr. K.K Khakhhar, 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 auditors 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, the following Resolution, with or without modification as a Special Resolution :

" **RESOLVED THAT** pursuant to pursuant to Section 81 (1A) and all other applicable provisions of the Companies act, 1956 ("The Act) and all applicable provisions of the Foreign Exchange Management Act, 1999 (FEMA), (including any statutory modification or re-enactment of any of the aforesaid acts, for the time being in force) and enabling provisions of the memorandum and Articles of association of the Company and the Listing Agreements entered into by the Company with the stock exchanges where the shares of the company are listed and subject to the rules and regulations framed there under and in accordance with the applicable regulations and guidelines of the Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), including the provisions of Chapter XIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, (herein after referred to as SEBI ICDR Regulations ) Relating to the issue of shares or warrants convertible into shares by way of preferential allotment, the consent of the members of the Company be and is hereby accorded to the Board of Directors, of the Company to offer, issue and allot 4,00,000 ( Four Lacs only warrants of Rs. 300/- (Rupees Three hundred only) each to the persons as listed in the explanatory statement attached to this Resolution on preferential basis convertible into 1 (one) equity share of Rs. 10/- (Rupees ten only) each fully paid-up, being the price as determined in accordance with provisions of SEBI ICDR Regulations."

" **RESOLVED FURTHER THAT** the pricing of said equity shares to be allotted on conversion of the aforesaid warrants, calculated in accordance with provisions of Chapter XIII of the SEBI ICDR Regulations of the 'Relevant Date'"

" **RESOLVED FURTHER THAT** said convertible warrants shall be convertible on following terms & conditions"

- (i) The Warrant holder shall have options to convert the warrants into equity shares within 18 months from the date of allotment of warrants in accordance with SEBI ICDR Regulations, as amended from time to time.
- (ii) The Warrant holder shall pay an amount equal to 25% (Twenty five percent only), i.e. Rs. 75/- (Rupees Seventy Five only) per warrant of the value of warrant while making application for allotment of warrants.

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- (iii) The amount referred to in sub-para (ii) above shall be adjusted against the price payable at the time of acquisition of equity shares by exercising the option by the warrant holder (s)
- (iv) The warrant holder shall pay on or before the date of conversion of such warrants into equity shares, the balance 75%, i.e Rs. 225/- (Rupees Two Hundred twenty five only) for each warrant so exercised to be converted into equity shares.
- (v) The amount referred in above (ii) above (i.e, Rs. 75/- per warrant paid by warrant holder) shall be forfeited, the warrant holder does not exercise the option to convert warrant into equity shares within the stipulated time.
- (vi) The warrants proposed to be issued under this resolution, shall be locked in for a period of 1 (One) year from the date of allotment of such warrants. However, the lock-in on equity shares acquired by conversion of warrants shall be reduced to the extent the warrants have already been locked-in.
- (vii) The allotment of the convertible warrants shall be completed within a period of 15 days from the date of passing of this Resolution by the shareholders provided that where the allotment is pending due to pendency of any approval from any regulatory authority including the Stock Exchanges where share are listed, the allotment shall be completed by the Company within a period of 15 days from the date of such approvals.
- (viii) If the allotment of instruments and dispatch of warrants certificates are not completed within a period of three months from the date of Resolution, a fresh consent of the shareholders shall be obtained.
- (xi) The details of all monies utilized out of the preferential issue proceeds shall be disclosed under an appropriate head in the Balancesheet and/or Directors Report of the Company, indicating the purpose for which such monies have been utilized and that the details of the unutilized monies shall also be disclosed under a separate head in the balancesheet of Company indicating the form in which such unutilized monies have been invested.

**"RESOLVED FURTHER THAT** the equity shares so issued on conversion of warrants shall upon allotment have the same rights or voting as the existing equity shares and be treated for all other purposes pari passu with existing equity shares of the Company and that the equity shares so allotted during the financial year shall be entitled to dividend, if any declared including other corporate benefits, if any, for the financial year in which the allotment has been made and subsequent years"

**"RESOLVED FURTHER THAT** for the purpose of giving effect to the above Resolution, the board be and is hereby authorized to agree and accept all such conditions, modification, and alterations as may be stipulated by any relevant authorities while according approval or consent to the issue as may be considered necessary, proper or expedient and give effect to such modification and alterations as may be stipulated by any relevant authorities while according approval or consent to the issue as may be considered necessary, proper or expedient and give effect to such modification(s) and to resolve and settle all questions, difficulties or doubts that may arise in regard to such issue and allotment and to do all acts, deeds and things in connection there with and incidental thereto without being required to seek any further consent or approval of the members of the Company to the intent that the members shall be deemed to have given their approval thereto expressly by the authority of this Resolution"

**"RESOLVED FURTHER THAT** the Company shall ensure that whilst any warrants remaining exercisable, it will at all times, keep available and reserved such part of its authorized but un-issued share capital as would enable all outstanding warrants to be satisfied in full"

**"RESOLVED FURTHER THAT** the consent of the Company be and is hereby given to the Board of Directors. to make an application for listing of the new equity shares as may be issued on conversion of warrants with the stock exchanges in which shares of the Company are listed"

**"RESOLVED FURTHER THAT** the consent of the Company be and is hereby given to the Board of Directors to make an application to the National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) for admission of the new equity shares to be issued on conversion of warrants on preferential basis"

# RAJATH FINANCE LIMITED

**"Resolved Further that board of Directors be and is authorised :**

- (a) to enter into and execute all such arrangements as the case may be with any solicitors, advisors, guarantors depositories registrars, custodians and other intermediaries (the "Agencies"), if required, in relation to the issue of warrants on preferential basis, and to remunerate nay of the Agencies in any manner including payment of commission brokerage, fee or payment of their remuneration for their services;
- (b) to settle any questions, difficulties or doubts that may arise in regard to the issue of warrants;
- (c) to seek and obtain the listing of the securities, as may arise out of the issue of warrants as may be legally required and as the Board may consider necessary or expedient, in the best interests of the Company,
- (d) to do all such acts, deeds, matters and things as the board may at its discretion deem necessary or desirable for such purpose, including without limitation to the drafting, finalization, entering into and execution of nay arrangements or agreements;
- (e) to delegate from time to time, all or any of the powers conferred herein upon the board to any Committee of the Board or the Managing Director or to any other officer or officers of the Company."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the board be and is hereby authorized on behalf of the Company to take all actions an do all such deeds, matters, and things as it may, in its absolute discretion, deem necessary, desirable of expedient to the issue or allotment of aforesaid Securities and listing thereof with the stock exchange(s) as appropriate and to resolve and settle all questions and difficulties that may arise in the proposed issue, offer and allotment of any of the said Securities, utilization of the issue proceeds or otherwise for the purposes of this resolution and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution

- 5 To pass, with or without modification, if any, the following Resolution as an ORDINARY RESOLUTION:  
Increase in authorised share Capital from Rs. 5 crores to Rs. 7.5 crores.

**"RESOLVED THAT** pursuance to the provisions of section 94(1)(a) and other applicable provisions, if any, of the companies act, 1956, the authorised Capital of the Company be and is hereby increased from Rs. 5,00,00,000/- (Rupees five crores only) divided into 50,00,000 (fifty lacs only) Equity shares of Rs. 10/- each (Rupees Ten only) to Rs. 7,50,00,000/- (Rupees Seven Crores fifty lacs only) divided into 75,00,000 (seventy five lacs only) Equity shares of Rs.10/- (Rupees Ten Only)

**"RESOLVED FURTHER THAT** Board of directors of the Company, be and is hereby authorised to do all things, deeds, acts as may be necessary to give effect to this Resolution"

- 6 To pass, with or without modification, if any, the following Resolution as a SPECIAL RESOLUTION:  
Alteration In Clause V Of The Memorandum Of Association

**RESOLVED THAT** pursuant to Section 16 and 94(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, the Clause V of the Memorandum of Association of the Company, be substituted with the following new Clause:-

"The Authorised share capital of the Company is Rs. 7,50,00,000/- (Rupees seven crores fifty lacs only ) divided into 75,00,000 (Seventy five lacs only) Equity shares of Rs. 10/- (Rupees Ten Only)"

**"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 to give effect to this Resolution"

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

Date : 25/07/2010  
Place: Rajkot

(HITESH M. BAGDAI)  
Director

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## 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 16th August, 2010 to 24th August 2010 (both days inclusive).
- 3 Members are requested to address all their correspondence at the Registered office of the Company.
- 4 To attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before commencement of the Meeting. A member entitled to attend and vote at the Annual General Meeting (the Meeting) is entitled to appoint a proxy
- 5 Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- 6 Members are requested to bring their Attendance Slip
- 7 Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting
- 8 In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

Explanatory Statement Pursuant To Section 173 (2) Of The Companies Act, 1956

### ITEM NO. 4

For issuance of share warrants convertible into equity shares on preferential basis.

**(1) Object and manner of activities for which proceeds of the issue to be utilized:**

The purpose of issue to allot the warrants convertible into the equity shares to raise the funds for its finance business.

**(2) Relevant date and pricing of the issue:**

The issue price of the warrants convertible into the Equity shares shall be Rs. 300/- (Rupees Three hundred only) each. The price has been fixed on conversion of warrants based on the relevant date, i.e. 25th July, 2010 calculated in the manner as specified in SEBI ICDR regulations for pricing of shares

**(3) Intention of the promoter of their associates and relatives to subscribe to the offer:**

No warrant is proposed to be issued to the promoters, their associates, and relatives of promoters or person acting concert, group companies, partnership firms etc.

**(4) Proposed time within which the allotment shall be completed:**

The allotment of warrants shall be completed within a period of 15 days from the date of passing of the Special Resolution by the shareholders provided, that where the allotment is pending of the Resolution on account of pendency of any approval from any regulatory authority including Stock Exchanges, the allotment shall be completed by the company within a period of 15 days from the date of such approvals, if the allotment of instruments and dispatch of warrant certificate is not completed within a period of three months from the date of this Resolution, a fresh consent of the shareholders shall be obtained.

As per SEBI ICDR Regulations, the warrant holders have the option to exercise to convert warrant into equity shares within a maximum period of 18 months from the date of allotment of the warrants.

**(5) Shareholding pattern before and after the offer:**

The shareholding pattern of the company, before and after the preferential allotment would be as follows.

# RAJATH FINANCE LIMITED

(A)	Shareholding of Promoter and Promoter Group	Pre-issue shareholding (as on 30th june, 2010)	Percentage	Post-issue (post conversion shareholding)	percentage
1	Indian				
(a)	Individuals/ Hindu Undivided Family	29,90,555	74.7639	29,90,555	67.96715909
(b)	Central Government/ State Governments(s)	0	0.00	0	
(c)	Bodies Corporate	0	0.00	0	
(d)	Financial Institutions/ Banks	0	0.00	0	
(e)	Any Others(Specify)	0	0.00	0	
	Sub Total (A)(1)	29,90,555	74.7639	2990555	
2	Foreign				
a	Individuals (Non-Residents Individuals Foreign Individuals	0	0.00	0	
b	Bodies Corporate	0	0.00	0	
c	Institutions	0	0.00	0	
d	Any Others (Specify)	0	0.00	0	
	Sub Total (A)(2)	0	0	0	
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	2990555	74.7639	2990555	
(B)	Public shareholding				
d	Institutions	0	0	0	
	Sub-total (B)(1)	0	0	0	
B 2	Non-institutions				
(a)	Bodies Corporate	43937	1.0384	443937	10.08947727
(b)	Individuals				
I	Individuals - i. Individual Shareholders Holding nominal Share Capital up to Rs 1 lakh	142592	3.5648	142592	3.240727273
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	818743	20.4686	818743	18.60779545
(c)	Any Other (Specify)				
(c-i)	Clearing Members	4073	0.1018	4073	0.092568182
(c-ii)	Market Nationals				
(c-iii)	Foreign Nationals				

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	Non Resident Indians (Non Repat)	100	0.025	100	0.025
	Sub-Total (B)(2)	1009445	25.2361	1409445	32.03284091
	Total Public Shareholding (B)= (B)(1)+(B)(2)	1009445	25.2361	1409445	32.03284091
	TOTAL (A)+(B)	4000000	100	4400000	

**Note:-** The above post issue pattern is based on the assumption of full subscription of the warrants and the subsequent allotment of equity shares on conversion of warrants into one equity share of Rs. 10 each

**(6) Identity of the proposed allottees and percentage Percentage of post issued capital that may be held**

It is proposed to allot total 4,00,000 warrants, to N K Chem Plast Pvt. Ltd, a Private Limited Company, incorporated under the provisions of the Companies Act, 1956 and having its Registered office at B/15, Mahavir Park, 97, Garodia Nagar, Ghatkopar (E), Mumbai.

The promoters, directors or any other person acting in concert, do not have any relation with the proposed allottee or with persons having control over the allottee.

**(7) Approvals :**

The company is taking necessary steps to obtain the required approvals from the Stock Exchange, SEBI or any other regulatory agency as may be applicable, for the proposed preferential issue of warrants to be converted into equity shares.

**(8) SEBI Takeover Code:**

In terms of the SEBI (Substantial acquisition of Shares and Takeovers) Regulations, 1997, the investors are not required to and do not intend to make an open offer and comply with formalities related to an open offer for this preferential allotment.

**(9) Holding of shares in the Demat Account, non disposal of shares by the proposed allottees and lock in period of shares:**

(x) The proposed allottee is holding its entire pre-issue shareholding in demat form and they have not disposed off or sold any equity share of the company during the last six months prior to the relevant date and further they will not sell or dispose of any pre-issue shares held by them during the period of six months from the date of issue/allotment of warrants on preferential basis. The warrants, issued to allottee under this. Resolution shall be locked in for a period of 1 (One) year from the date of allotment of such warrants. However, the lock-in on equity shares acquired by conversion of warrants shall be reduced to the extent the warrants have already been locked-in.

**(10) Auditor's Certificate:**

Certificate of the Auditors of the company. M/s SADP & CO, Chartered Accountants, Rajkot confirming that the proposed issue of warrants convertible in to equity shares are in accordance with the SEBI ICDR Regulations, will be available for inspection upto the date of annual General Meeting at the Registered Office of the Company on any working day and also at the place of the meeting on the meeting day.

**(11) Approval under the Companies Act, 1956:**

Section 81 of the Companies Act, 1956 provides, *inter alia*, that whenever it is proposed to increase the subscribed capital of a Company by a further issue and allotment of shares, such shares shall be first offered to the existing shareholders of the company in the manner laid down in the said section, unless the shareholders decide otherwise in general meeting by way of special resolution



# RAJATH FINANCE LIMITED

Accordingly, the consent of the shareholders is being sought pursuant to the provisions of section 81 and all other applicable provision of the companies act, 1956. SEBI ICDR Regulations and the provisions of the listing agreement with the Stock Exchange for authorizing the Board of offer, issue and allot convertible warrants as stated in the resolution, which would result in a further issuance of securities of the Company to persons other than the Promoters, their relatives. person acting in concert on a preferential on a preferential allotment basis, in such form, manner and upon such terms and conditions as the Board may in its absolute discretion deem fit

## ITEM NO 5:-

Members are aware that the Company is now thinking of increasing its business activities. The Company requires funds to meet its financial requirements. Thereafter, the Board has decided to increase its paid up capital at different stages. However, as the paid up capital cannot be more than the authorised share capital, the Company has first to increase its authorised share capital

Hence, it is proposed to increase Authorised Share capital of the Company from Rs. 5 crores to Rs. 7.5 crores and new shares, as and when issued, shall rank pari-passu with the existing shares.

The Resolution is proposed to be pass as an Ordinary Resolution

None of the Director is interested in this Resolution.

## ITEM NO. 6

Members are aware that the Clause V of the Memorandum of Association contains the information about the Authorised share Capital of the Company. However, consequent to increase in the Authorised share Capital, the Company also requires to amend the Clause V of the Memorandum of Association

Hence, the Resolution is proposed to be passed as a Special Resolution to amend Clause V of the Memorandum of Association of the Company.

None of the Director is interested in this Resolution

## Details of Directors seeking appointments/reappointment at the Annual General Meeting

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

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

Date: 25/07/2010  
Place: Rajkot

(HITESH M. BAGDAI)  
Director

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## REPORT OF BOARD OF DIRECTORS

Your Directors are pleased to present their Twenty Fifth Annual Report for the year ended on 31st March, 2010..

### Financial Results

Your Company's performance for the year ended on 31 st March 2010 is summarized as under:

Particulars	For the year ended on 31st March, 2010	For the year ended on 31st March, 2009
Total Income	37,23,519	38,67,485
Operating Expenditure	10,63,774	9,74,662
Profit (Loss) non-cash/non-operating charges	26,59,745	28,92,823
Profit before tax	24,30,405	26,72,986
Provision for current tax	5,29,450	1,48,810
Fringe benefit tax	--	4,354,
Deferred Taxation	(21,910)	(28,864)
Peofit (loss) after taxation	19,22,865	25,48,686
Surplus/(Deficit) from previous years	(52,10,931)	(72,49,880)
balance transferred to balance-sheet	(32,88,066)	47,01,194

### Performance Highlights

During the year under Report, your Company has restarted its operations gradually, and has earned total income of Rs. 37,23,519/- as compared to Rs. 38,67,485/- in the precious year. Further, profit after taxation is arrived at Rs. 19,22,865/- as compared to net profit of Rs. 25,48,686/- in the precious year. The main reason behind the decrease in the net profit is due to taxation provision. Further, the accumulated losses are substantially decreased from Rs. 47,01,914/- of previous year to Rs. 32,88,066/- 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.

### INCREASE IN AUTHORISED SHARE CAPITAL

Members are aware that the Company requires funds to meet its financial requirements. Thereafter, the Board has decided to increase paid up capital. However, as the paid up capital cannot be more than the authorised share capital, the Company has first to increase its authorised share capital.

Hence, it is proposed to increase Authorised Share capital of the Company From Rs 5 crores to Rs 7.5 crores and new shares, as and when issued, shall rank pari-passu with the existing shares.

### BUSINESS DEVELOPMENT STRATGEY

The Company is seeing opportunities lying into the business of the micro finance, and it believes that the micro finance area is the most thrust area of the economy. The Company has decided to expand the business activities to the Company into micro finance activities also, in a phased and planned manner. Initially, the Company will establish its own outlets or will appoint franchisees in 40 to 50 places in the State of Gujarat, Where the Company has solid base. The Company will adopt the same strategy in rest of parts of the Country also. The Company will appoint experienced core team and supporting manpower for establishing its presence if the micro finance business.

# 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 on 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 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 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 relationship 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

Dr. K K Khakhar, Director of the Company, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for reappointment. A brief Resume of Dr K K Khakhar is attached with Notice of the AGM.

Ms. Poonam Bagdai, Director of the Company resigned w.e.f 26th April, 2010. The Board Put its sincere appreciation for services provided by Ms. Bagdai during her tenure as Director

## 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 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.

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## 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 sing of recovery and is expected to be back on track of growth in next one year

### INDUSTRY

The year 2009-10 started off amidst an uncertain economic environment driven by fears of a global double-dip recession, low domestic industrial growth, the failure of monsoons affecting the kharif crop and weak consumer demand. Things changed for the better in the second half. Stabilisation of the global financial system, three substantive government stimulus packages, an accommodative monetary stance by the Reserve bank of India (RBI) and the emphasis on public sector expenditure in the first (mid-term) budget of the new government saw a resurgence of growth in H2 2009-10, especially in January-March 2010.

These measures resulted in improved business confidence and revival of consumer demand. A relatively benign interest rate environment throughout the second half of 2009-10 also helped. Even so, it needs stating that retail lending in 2009-10 was weak compared to a couple of years ago. Having faced rising delinquencies and higher credit risks in 2008-09 and most of 2009-10, lending institutions remained cautious across all retail lending businesses.

### SEGMENTS

The Company does no 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. 37,23,519/- as compared to Rs. 38,67,485/- in the previous year. further, profit after taxation is arrived at Rs. 19,22,865/- as compared to net profit of Rs. 25,48,686/- in the previous year, The main reason behind the decrease in the net profit is due to taxation to taxation provision. Further, the accumulated losses are substantially decreased from Rs. 47,01,914/- of previous year to Rs. 32,88,066/- 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 protected against loss from any unauthorised use of disposition and all transactions are authorised, recorded and reported correctly. the System also ensures formation and implementation of corporate policies for financial reporting, accounting, and information security

### OUTLOOK FOR 2010-2011

The economy is predicted to continue the strong performance seen in 2009-10 and the business outlook for Rajath is robust. In 2010-11, the company's approach would be to continue to grow by focusing of returns while balancing risk. It will launch new product lines, such as construction equipment finance and retail loans against securities; further strengthen risk management practices; maintain investments in technology and human resources to consolidate its position in the Industry

### 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 date, industry information etc. contained in this

# RAJATH FINANCE LIMITED

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 Government regulations, tax laws, other statues and other incidental factors, may affect the final results and performance of the Company

## **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.

## **Acknowledgment**

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

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

Date: 25/07/2010  
Place: Rajkot

(HITESH M. BAGDAI)  
Director

(BHAVDEEP V. VALA)  
Director

# 25TH ANNUAL REPORT

## 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 objective 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 Five Directors Out of them, three directors, Mr. Manish Mehta and Dr. Kantilal Khakhar, & Mr. Ketan Dhulesia are Non-executive & independent directors of the Company.

#### Meetings:

Your Company is regularly convening and holding the Board Meetings and all business transacted therein have 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.

#### 4. Details of Directorship/Committee Membership or Chairmanship

Name of Director	Designation	Number of Shares held in Company (as on 31 st March 2010	Directorship in all public Limited Companies #	Membership in Committee in all public limited Companies #	Chairmanship in Committee in all public limited Companies #
Shri Hitesh Bagdai	Director	996853	1	2	Nil
Smt. Poonman H. Bagdai	Director	996851	1	Nil	Nil
Shri Bhavdeep Vala	Director	996851	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 Director	Nil	1	2	Nil

# RAJATH FINANCE LIMITED

# 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,

## Information placed before the Board of 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 dangerous occurrences 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 materia 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 teh 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. 2010, 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 Directors - Shri Hitesh Bagdai, CA Manish Mehta and Dr. K K Khaakhar. CA Manish Mehta being professionally qualified as a Chartered Accountant. acted as the Chairman of the Audit.

#### 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) Review 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.

# 25TH ANNUAL REPORT

**b) Composition:-**

The Committee comprises of CA Manish Mehta, Dr. K K Khakhar, and Shri Ketan Dhulesia. 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 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 new 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
2008-2009	26th Day of September, 2009	11.00 am	208-215 Star Plaze Phulchhab Chowk, Rajkot-1
2007-2008	27th Day of September, 2009	11.00 am	208-215 Star Plaze Phulchhab Chowk, Rajkot-1
2006-2007	28th Day of September, 2009	5.00 pm	208-215 Star Plaze Phulchhab Chowk, Rajkot-1

**4. Shareholder information**

**Registered Office**

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

**Annual General Meeting**

The 25th Annual General Meeting (AGM) of the Company will be held on wednesday, 25th August, 2010 at 11:00 A.M. at registered office of the Company, 208-215 Star Plaza, Phulchhab Chowk, Rajkot-360 001

**Financial Calendar**

- |  |                             |
|--|-----------------------------|
| 1. Annual General Meeting                          | :25th August, 2010          |
| 2. Results for Quarter ending 30th June, 2010      | :Last week of July, 2010    |
| 3. Results for Quarter ending 30th September, 2010 | :Last week of October, 2010 |
| 4. Results for Quarter ending 31th December, 2010  | :Last week of January, 2010 |
| 5. Results for Quarter ending 31th March, 2011     | :Last week of May, 2011     |

**Dates of book Closure**

The Company's transfer books will be closed from 16th August, 2010, to 24th August, 2010 ( 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 Company has already passed Resolution for delisting of its Securities from the Ahmedabad Stock Exchange Ltd. Ahmedabad, and Saurashtra Kutch Stock Exchange Ltd. Rajkot, and the approval is awaited from the Stock Exchanges.

**Stock code**

	code
Bombay Stock Exchange Ltd.	507962



# RAJATH FINANCE LIMITED

## 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, Amedabad-380 009

Phone/fax-079-26465179

## Share Transfer System

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

## Distribution Schedule as on 31st march, 2010:

SHARE OF DEBENTURE	NUMBER OF HOLDERS	%OF HOLDERS	TOTAL SHARES	%OF SHARES/ DEBENTURES
01 to 500	727	94.6610	120145	3.0040
501 to 1000	19	2.4740	16400	0.4100
1001 to 2000	5	0.6510	7900	0.1980
2001 to 3000	1	0.1300	2400	0.0600
3001 to 4000	1	0.1300	4000	0.1000
4001 to 5000	0	0.000	0	0.0000
5001 to 10000	0	0.000	0	0.0000
10001 & above	15	1.9530	3849155	96.2290
<b>TOTAL</b>		100.00	40,00,000	100.00

## Dematerialization of Shares

As per the notification issued by SEBI, the shares of the Company are traded compulsorily in dematerialized form by all investors with effect from 26th March, 2001, As on 31st March, 2010, 96.5814% of the Company's paid up equity capital representing 3863255 shares were held in demat form

No. of Shares in Physical Segment	136745	3.4186
No. of Shares in Demat Segment	3863255	96.5814

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

Comapnay's Registered Office	Share Transfer Agent
Rajath Finance Ltd 208-215, Star Plaza, Phulchhab Chowk Rajkot-360 001 Phone-0281-2447800	Link Intime India Pvt. Ltd. 211, Sudarshan Complex, Nr. Mithakhali Under Bridge, Ellisbridge, Ahmedabad-380 009 Phone/Fax- 079-26465179

# 25TH ANNUAL REPORT

**DECLARATION REGARDING COMPLIANCE WITH  
CODE OF CONDUCT  
[Clause 49(l)(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 and here 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.

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

Date: 25/07/2010  
Place: Rajkot

(HITESH M. BAGDAI)  
Director

(BHAVDEEP V. VALA)  
Director

# RAJATH FINANCE LIMITED

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

We have reviewed financial statements and cash flow statements for the financial year 2009-ended on 31st March 2010. 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.

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

Date: 25/07/2010  
Place: Rajkot

(HITESH M. BAGDAI)  
Director

(BHAVDEEP V. VALA)  
Director

# 25TH ANNUAL REPORT

## 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, 2010, 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 condition of Corporate Governance as stipulated in the abovementioned listing Agreement. As per the records maintained by the Company on 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 of effectiveness with which the Management has conducted the affairs of the Company

For and on behalf of  
SADP & Co,  
Chartered Accountants

Sd/-

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

Date: 25/07/2010

# 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 2010 and the Profit and Loss Account for the year ended of 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 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 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 has 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, 2010 and taken on record by the Directors of the company and in accordance with the information and explanations as made available to 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 2010;  
and
    - ii. In the case of the Profit and Loss Account, of the profit for the year ended on that date.

Place:- Rajkot  
Date:- 27th May, 2010

For, **S A D P & CO.**  
Chartered Accountants

**S. G. Bhuptani**  
Partner  
Membership No. 107361

# 25TH ANNUAL REPORT

## ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE AUDITOR'S REPORT ON THE ACCOUNTS OF Rajath Finance Limited for THE YEAR ENDING 31ST MARCH 2010

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, 1956, 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 no such physical verification
- (c) In our opinion the Company has not unsecured, 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 verification of inventory and maintenance of inventory records, in our 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 has not granted or taken any loans from the persons covered in the register maintained u/s. 301 of the Companies Act, 1956.
- (b) Not applicable , since no loans are granted or taken during the year.
- (c) We are unable to express our opinion, since there in no stipulation as regard repayment of loan and interest.
- (d) There in no overdue amount of loans, secured or unsecured from companies, firms or other parties covered in the register maintained u/s. 301 of the Companies Act, 1956.
- (e) According to the information and explanation given to us, the Company has not taken loans, secured or unsecured, 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 As no new contracts or arrangements are entered in pursuance of section 301 of the Companies Act, 1956; the requirement of reporting in this in this matter does not arise.

6 In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public an 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 is 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:

# RAJATH FINANCE LIMITED

- (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 month.
- (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, wealth tax, sales tax, excise duty, Employees provident fund, Employees 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 Since no fund is raised/ outstanding to banks, financial institutions and debenture holders, hence not applicable.
- 12 In our opinion and according to information and explanation given to us, no loans and advances have been granted by the company on 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 others 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 loans 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 explanation 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 company has not issued any debentures during the year, hence question of creation of securities does not arise.
- 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 causes that causes the financial statements to be materially misstated.

For, **SADP & CO.**  
Chartered Accountants

**S. G. Bhuptani**  
Partner  
Membership No. 107361

Place:- Rajkot  
Date:- 27th May, 2010

# 25TH ANNUAL REPORT

## RAJATH FINANCE LIMITED

### BALANCE SHEET AS ON 31ST MARCH, 2010

PARTICULARS		Sch. No.	AMOUNT RS. 31.03.10	AMOUNT RS. 31.03.09
<b>A SOURCE OF FUND:</b>				
I SHARE HOLDERS FUND:				
(a)	Share Capital	1	40,000,000	40,000,000
(b)	Reserves & Surplus	2	6,971,747	6,587,174
II DEFERRED TAX LIABILITY			742,316	764,226
TOTAL....			<u>47,714,063</u>	<u>47,351,400</u>
<b>B APPLICATION OF FUND</b>				
I FIXED ASSETS				
	Less: Accumulated Depreciation	3	6,759,407	6,719,507
NET BLOCK			<u>(2,974,359)</u>	<u>(2,774,718)</u>
			3,785,048	4,016,789
II INVESTMENTS		4	310,763	310,763
III CURRENT ASSETS, LOANS & ADVANCES		5	40,220,445	38,046,046
IV LESS: CURRENT LIABILITIES & PROVISIONS		6	274,832	223,129
NET CURRENT ASSET...			<u>39,945,613</u>	<u>37,812,917</u>
V PROFIT & LOSS ACCOUNT			3,672,639	5,210,931
TOTAL...			<u>47,714,063</u>	<u>47,315,400</u>
NOTES ON ACCOUNTS		11		
AS PER OUR REPORT OF EVEN DATE ATTACHED				

For, **S A D P & CO.**  
Chartered Accountants

**S. G. Bhuptani**  
Partner  
Membership No. 107361

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

Place:- Rajkot  
Date:- 27th May, 2010

(HITESH M. BAGDAI)  
Director

(BHAVDEEP V. VALA)  
Director



# RAJATH FINANCE LIMITED

## RAJATH FINANCE LIMITED

### PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2010

PARTICULARS	SCH. NO.	AMOUNT RS. 2010	AMOUNT RS. 2009
<b>A INCOME</b>			
1 Income from operations	7	3,723,519	3,639,987
2 Other Income	8	-	227,498
Total....		3,723,519	3,867,485
<b>B EXPENDITURE</b>			
1 Operation expenditure	9	1,063,774	974,662
		1,063,774	974,662
Profit/(Loss) before Non-cash/ Non-operating charges		2,659,745	2,892,823
Less: Non-cash/ Non-operation charges	10	229,340	219,837
Profit/(Loss) before tax		2,430,405	2,762,986
Less: Provision for current tax		529,450	148,810
Provision for Fringe Benefit Tax		-	4,354
Provision for Deferred tax		(21,910)	(28,864)
Profit/(Loss) after tax		1,922,865	2,548,686
Less : Taxation adjustment of previous year			
		1,922,865	2,548,686
Add: surplus/ (Deficit) of the previous year		(5,210,931)	(7,249,880)
Profit/(Loss) Before Appropriations		(3,288,066)	(4,701,194)
<b>C APPROPRIATIONS</b>			
1 General Reserves		-	-
2 Special Reserves u/s. 45 IC of the RBI Act, 1934		384,573	509,737
3 Proposed dividend		-	-
4 Dividend tax		-	-
5 Deficit carried forward		(3,288,066)	(4,701,194)
Balance carried to Balance Sheet		(3,672,639)	(5,210,931)
<b>Basic Earning per Share</b>		0.48	0.64

AS PER OUR REPORT OF  
EVEN DATE ATTACHED

For, **S A D P & CO.**  
Chartered Accountants

**S. G. Bhuptani**  
Partner  
Membership No. 107361

Place:- Rajkot  
Date:- 27th May, 2010

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

(HITESH M. BAGDAI)  
Director

(BHAVDEEP V. VALA)  
Director

# 25TH ANNUAL REPORT

## SCHEDULES FORMING THE PART OF BALANCE SHEET & PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2010

PARTICULARS	AMOUNT RS. 2010	AMOUNT RS. 2009
<b>SCHEDULE-1 SHARE CAPITAL:</b>		
<b>A AUTHORISED SHARE CAPITAL</b>		
5000000 Equity share each of Rs. 10/-	50,000,000	50,000,000
	50,000,000	50,000,000
<b>B PAID UP SHARE CAPITAL</b>		
4000000 Equity share each of Rs. 10/-	40,000,000	40,000,000
<b>Total....</b>	40,000,000	40,000,000

### SCHEDULE-2 RESERVES & SURPLUS:

1 Capital Reserve	56,500	56,500
2 General Reserve	2,730,931	2,730,931
3 Special Reserve	4,184,316	3,799,743
<b>Total...</b>	6,971,747	6,587,174

### SCHEDULE-4 INVESTMENTS (At Cost) Nos. Nos. 31.03.10. 31.03.10.

<b>A Investments (Quoted)</b>				
1 UTI Master Gain	23300	23300	309,263	309,263
2 Kesoram Textilles Ltd.	6000	6000	1,500	1,500
<b>Sub Total...</b>			310,763	310,763
<i>Average Market Value of Quoted Investment as on 31.03.2010 was Rs. 11.27 Lacs</i>				
<b>Total....</b>			310,763	310,763

### SCHEDULE-5 CURRENT ASSETS, LOANS & ADVANCES:

<b>A Cash Assets</b>				
1 Cash on Hand			52,960	4
2 Current Accounts with Scheduled Banks			8,266,356	89,884
<b>Sub Total....</b>			8,319,316	89,888
<b>B Other</b>				
1 Short Term Loans (Unsecured considered good)			27,500,000	32,417,377
2 Advances receivable in cash or kind or for value to be received			19,828	1,480,000
3 Income Tax			1,713,742	1,862,552
4 Interest Receivable			2,472,490	2,001,160
5 Deposits			195,069	195,069
<b>Sub Total....</b>			31,901,129	37,956,158
<b>Total...</b>			40,220,445	38,046,046

**SCHEDULE-3**

**FIXED ASSETS**

Sl.	ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Balance as on 01.04.09	Addition during the year	Deduction During the year	Balance as on 01.04.10	Balance as on 01.04.09	Addition during the year	Written back during the year	Balance as on 31.03.10	Balance as on 31.03.09	Balance as on 31.03.10
1	Premises	3,698,563	-	-	3,698,563	607,774	60,287	-	668,061	3,090,789	3,030,502
2	Furniture & fixture	2,173,165	-	-	2,173,165	1,393,197	136,585	-	1,529,782	779,968	643,383
3	Office equipments	207,542	-	36,100	171,442	112,873	8,143	16,533	104,483	94,669	66,959
4	Air conditioners	39,131	-	-	39,131	13,321	1,859	-	15,180	25,810	23,951
5	Computers	673,105	4,000	-	677,105	647,561	9,299	-	656,860	25,554	20,245
	<b>Total...</b>	<b>6,791,507</b>	<b>4,000</b>	<b>36,100</b>	<b>6,759,407</b>	<b>2,774,718</b>	<b>216,173</b>	<b>16,533</b>	<b>2,974,359</b>	<b>4,016,780</b>	<b>3,785,048</b>
	Previous Year	6,786,007	5,500	-	6,791,507	2,554,881	219,837	-	2,774,718	4,231,126	4,016,788

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## SCHEDULE-6 CURRENT LIABILITIES & PROVISION:

A Current Liabilities		
1 Statutory Liabilities	45,343	7,242
2 Audit Fees	11,030	12,133
3 Sundry Expenses	1,048	1,590
4 Salary Payable	-	29,086
5 Sundry Creditors	-	34,268
6 Income Tax Provision (Net of TDS/ Advance Tax)	217,411	148,810
Total...	274,832	233,129

## SCHEDULE-7 INCOME FORM OPERATIONS:

1 Interest	3,723,519	3,639,987
Total.....	3,723,519	3,639,987

## SCHEDULE-8 OTHER INCOME :

1 Interest on Income Tax Refund	-	227,498
Total.....	-	227,498

## SCHEDULE-9 OPERATING EXPENSES:

1 Advertisement	47,021	36,198
2 Audit fees	11,030	11,335
3 Bank Charges	1,010	125
4 Bonus Expenses	16,830	17,380
5 Conveyance & travelling	8,100	5,050
6 Conveyance & travelling to directors	59,034	183,791
7 D-Mat Charges	7,170	5,037
8 Donation	10,000	-
9 Electricity Charges	18,981	14,465
10 Income Tax Expense	-	25,608
11 Insurance	6,070	6,611
12 Interest on FBT	-	27
13 Interest on TDS Late Payment	35	53
14 Listing & Professional fees	547,019	327,061
15 Listing fees	19,303	19,511
16 Miscellaneous expenses	652	32
17 Office expenses	15,296	30,074
18 Periodicals & News Papers	1,061	958
19 Postage & telephone & telex	28,116	25,656
20 Printing & Stationery	43,469	42,296
21 Rates & Taxes	57,276	53,788
22 Repairs & renewals	4,300	3,900
23 Salaries & Allowances	162,001	165,706
Total	1,063,774	974,662

## SCHEDULE-10 NON-CASH/NON-OPERATION CHARGES WRITTEN OFF

1 Depreciation	216,173	219,837
2 Loss on Sale of Asset	13,167	-
Total...	229,340	219,837

# RAJATH FINANCE LIMITED

## SCHEDULE- 11: NOTES TO THE ACCOUNTS

(Forming part of the Accounts for the year ended 31st March, 2010)

### 1 Significant Accounting Policies:

The Account 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) **Incomes:**

Income is recognised on accrual basis.

(b) **Expenditure:**

The Expenses incurred by the Company are accounted for on accrual basis. Provision has been made for long for the expenses which can be determined with reasonable certainty.

(c) **Investments:**

All investments are for long term holding and 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 periods.

### 2. Related Party Disclosures:

#### (a) List of related parties and Relationship

Sr. No.	Parties	Relation
1	Hitraj Traders	Associate 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.	
10	Primerose Mercantile Pvt. Ltd.	
	Key Mangement Personnel:	
1	Mr. Hitesh M. Bagdai	Directors
2	Mrs. Poonma H. Bagdai	
3	Bhavdeep V. Vale	

#### (b) Related Parties Transactions

(Rupees in Lacs)

Transactions	Associates	Key Management	Total
Finance Provided	-	-	-
Finance Received Back	5,000,000.00	-	5,000,000.00
Remuneration Paid	-	-	-
Others (interest receipt)	864,658.00	-	864,658.00

# 25TH ANNUAL REPORT

### 3 Other Notes:

(a) Audit fees and Legal Expenses Include auditors remuneration as follows:

(In Rs.)

	Particulars	F.Y. 2009-10	F.Y. 2008-09
1	As Auditors	11,030	11,335
2	As Advisors	-	-
3	In any other Capacity	7,722	7,500
	Total	18,752	18,835

### (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, 2010 is as under:

Particulars	31-03-10 Amt. Rs.	31-03-09 Amt. Rs.
WDV as per books	3,785,048	4,016,781
WDV as per IT	1,382,731	1,543,557
Difference in WDV	2,402,317	2,473,224
Applicable Tax Rate	30.90%	30.90%
Deferred Tax Liability	724,316	764,226
Increase/(Decrease) in Deferred Tax Liability	(21,910)	(28,864)

- (c) The Hon'ble Gujarat high Court has admitted appeal of the income-tax Department against the order of the Income-tax Appellate Tribunal Deciding the Interest Tax matter in favour of the company related to A. Y. 1988-89 to 1994-95. In view of ITAT's order in favour of the company no provision for tax liability has been made.
- (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.
- (e) 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 date attached

For, **S A D P & CO.**  
Chartered Accountants

**S. G. Bhuptani**  
Partner  
Membership No. 107361

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

Place:- Rajkot  
Date:- 27th May, 2010

(HITESH M. BAGDAI)  
Director

(BHAVDEEP V. VALA)  
Director

# RAJATH FINANCE LIMITED

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

### 1 REGISTRATION DETAILS:

Registration No.	7486
State Code	04
Balance Sheet Date	31.03.2010

### 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	47,714.06
Total Assets	47,714.06
<b>Source of Funds:</b>	
Reserves & Surplus	6,971.75
Paid-up Capital	40,000.00
Deferred Tax Liability	742.32
Secured Loan	-
Share Application	-
<b>Application of funds:</b>	
Net Fixed Assets	3,785.05
Investments	310.76
Net Current Assets	39,945.61
Miscellaneous Exp.	-
Accumulated Losses	3,672.64

### 4 PERFORMANCE OF COMPANY (AMOUNT IN THOUSAND):

Turnover (Incl. other Income)	3,723.52
Total Expenditure	1,293.11
Profit/Loss before tax	2,430.41
Profit/Loss after tax	1,922.87
Earning per share	0.48
Dividend per share	-

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

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

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## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

Sl.	Particulars	2009-10	2008-09
<b>A. CASH FLOW FROM OPERATION ACTIVITIES</b>			
	Profit/ (Loss) after tax	1,922,865	2,548,686
	Add:		
	Provision for current tax	529,450	148,810
	Provision for Deferred Tax	(21,910)	(28,864)
	Provision for Fringe Benefit Tax	-	4,354
	Financial Expenses	-	-
	Depreciation	216,173	219,837
	Depreciation adjustment A/c	-	-
	Interest tax provision written back	-	-
	(Profit)/ Loss on sale of assets	13,167	-
	(Profit)/ Loss on sale of investment	-	-
	income from investments/interst	-	-
	Dividend received	-	-
	<b>Operating profit before working capital changes</b>	<b>2,659,745</b>	<b>2,892,823</b>
	(Increase)/ Decrease in Loans and Advances	6,377,549	(3,880,000)
	(Increase)/ Decrease in other receivables	(322,520)	(1,283,733)
	Increase/ (Decrease) in current liabilities	(487,747)	(64,746)
	<b>Cash generated from operation</b>	<b>8,277,027</b>	<b>(2,335,706)</b>
	Less: Direct tax paid	-	-
	<b>Net cash flow operating activities</b>	<b>8,227,027</b>	<b>(2,335,706)</b>
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIE</b>			
	Purchase of fixed assets	(4,000)	(5,500)
	Sale of fixed assets	6,400	-
	Purchase of investments	-	-
	Sale of investment in RMC Bonds	-	-
	Sale of investments in group companies	-	-
	Investment income received	-	-
	Dividend received	-	-
	<b>Net cash flow in Investing Activities</b>	<b>2,400</b>	<b>(5,500)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
	Increase/ (Decrease) in bank borrowing	-	-
	Increase/ (Decrease) in fixed deposits	-	-
	Dividend paid	-	-
	dividend tax paid	-	-
	<b>Net cash flow from financing activities</b>	<b>-</b>	<b>-</b>
	<b>Net increase/ (decrease) in cash and cash equivalents: (A+B+C)</b>	<b>8,229,427</b>	<b>(2,341,206)</b>
	Cash and cash equivalents at the beginning of the year	89,888	2,431,094
	Cash and cash equivalents at the end of the year	8,319,316	89,888

### CERTIFICATE

TO  
THE MEMBERS OF  
**RAJATH FINANCE LIMITED**  
**RAJKOT**

We have examined the attached Cash Flow Statement of Rajath Finance Limited for the yare ended 31st March, 2010. 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 date to the Members of the Company.

For, **S A D P & CO.**  
Chartered Accountants

**S. G. Bhuptani**  
Partner  
Membership No. 107361

Place:- Rajkot  
Date:- 27th May, 2010



# RAJATH FINANCE LIMITED

**Schedule to the  
Balance sheet of a non-deposit taking non-banking financial company**

(as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) companies Prudential Norms (reserve Bank) Directions, 2007)

(Rs. In Lakhs)

Particulars			
<b>Liabilities side:</b>			
(1)	<b>Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:</b>	<b>Amount outstanding</b>	<b>Amount overdue</b>
	(a) Debentures: Secured	Nil	Nil
	Unsecured	Nil	Nil
	(other than falling within the Meaning of public deposits* )	Nil	Nil
	(b) Deffered Credits	Nil	Nil
	(c) Term Loans	Nil	Nil
	(d) Inter corporate loans and borrowing	Nil	Nil
	(e) Commercial paper	Nil	Nil
	(f) Other Loans (Specify Nature)	Nil	Nil
	* Please see Note 1 Below		
<b>Asset side:</b>			<b>Amount outstanding</b>
(2)	<b>Break up of loans and advances including bills receivables (Other than those included in (4) below):</b>		
	(a) Secured		Nil
	(b) Unsecured		301.87
(3)	<b>Breakup of Leased Assets and stock on hire an other assets counting towards AFC activities</b>		
	(i) Lease asset 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) Asset on hire		Nil
	(b) Repossessed assets		Nil
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed		Nil
	(b) Loans other than (a) above		Nil
(4)	<b><u>Break up Investment:</u></b>		
	<b><u>Current investments:</u></b>		
	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) Other (Please specify)		Nil
	2. Unquoted :		
	(i) Shares : (a) Equity		Nil
	(b) Preference		Nil

# 25TH ANNUAL REPORT

	(ii) Debentures and bonds		Nil
	(iii) Units of mutual funds		Nil
	(iv) Government Securities		Nil
	(v) Other (Please specify)		Nil
	Long term investments:		
	1. Quoted		
	(i) Shares : (a) Equity		3.11
	(b) Preference		Nil
	(ii) Debentures and Bonds		Nil
	(iii) Units of mutual funds		Nil
	(iv) Government securities		Nil
	(v) Other (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) Other (Please specify)		Nil
(5)	<b>Borrowing group wise classification of asset financed as in (2) and (3) above:</b> Please see note 2 below		
	Category	Amount net of provisions	
		Secured	Unsecured
			Total
	1. Related parties**		
	(a) Subsidiaries	Nil	Nil
	(b) Companies in the same group	Nil	58.65
	© Other related parties	Nil	0.00
	2. Other than related parties	Nil	243.23
	<b>Total</b>	<b>Nil</b>	<b>301.87</b>
(6)	<b>Investor group wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):</b> Please see note 3 below		
	Category	Market value/break up/fair value/NAV	Book value (net of provisions)
	1. Related parties**		
	(a) Subsidiaries	Nil	Nil
	(b) Companies in the same group	Nil	Nil
	© Other related parties	Nil	Nil
	2. Other than related parties	11.27	3.11
	<b>Total</b>	<b>11.27</b>	<b>3.11</b>

# RAJATH FINANCE LIMITED

\*\* As per Accounting o ICAI (Please see Note 3)

## (7) 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) Direction, 1998
- (2) Provisions norms shall be applicable as prescribed in non banking financial (Non deposit accepting or holding companies prudential norms (Reserve Bank) Directions, 2007.
- (3) All accounting standards and guidance note 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 of current in (4) above.

**For S A D P & Co.**  
Chartered Accountants

**S. G. Bhuptani**  
(Partner)  
M. No.: 107361

Place : Rajkot  
Date : 27th May, 2010

# RAJATH FINANCE LIMITED

REG. OFFICE : 208-215, Star Plaza, Phulchhab 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 **25TH ANNUAL GENERAL MEETING**  
of the Company to be held **on 25th August, 2010** or any adjournment thereof.

AS WITNESS my/our hand this \_\_\_\_\_ day of \_\_\_\_\_ 2010

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, Phulchhab 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 myu presence at the 25TH ANNUAL GENERAL MEETING held at 208-215, Star  
Plaze, Phulchhab Chowk, Rajkot, on WEDNESDAY THE 25TH AUGUST 2010 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

