

PHONE : 0281-3013344 , 2447800  
FAX : 0281-2454271  
E-mail ID: rajathfin@hotmail.com  
investorrelations-rajath@hotmail.com  
WEB : www.rajathfinance.com  
DATE :  
REF. :



REGD. OFFICE : 208 - 215, STAR PLAZA,  
PHULCHHAB CHOWK, RAJKOT - 360 001.

CIN : L65910GJ1984PLC007486

Date: 06/08/2019

BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai-400 001

Dear Sir,

Re. Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

Scrip Code : BSE -500303:

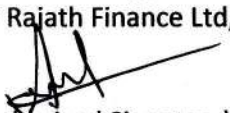
Sub : Annual Report 2018-19

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we are enclosing herewith copy of the Annual Report of the Company of the year ended 31<sup>st</sup> March 2019.

Kindly acknowledge receipt.

Thanking you,

Yours Faithfully,  
For Rajath Finance Ltd,

  
(Authorised Signatory)



34<sup>th</sup> ANNUAL REPORT

2018-2019

RAJATH  
FINANCE LIMITED

Regd. Office  
208-215, Star Plaza  
PhulchhabChowk  
Rajkot -360001  
Phone : 0281-2447800 Fax : 2454271  
E-mail: [rajathfin@hotmail.com](mailto:rajathfin@hotmail.com), [investorrelations-rajath@hotmail.com](mailto:investorrelations-rajath@hotmail.com)  
We.: [www.rajathfinance.in](http://www.rajathfinance.in)

Corporate Information:

Board of Directors

Hitesh Bagdai  
Managing Director

BhavdeepVala  
Executive Director

Poonam Bagdai  
Non-executive &  
Non-Independent Director

KantilalKhakhar  
Independent Director

KetanbhaiDhulesiya  
Independent Director

Janish Ajmera  
Independent Director

Audit Committee

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

Nomination

& Remuneration Committee

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

Shareholder's Grievance  
Committee:

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

Statutory Auditors

SADP & Co.,  
Chartered Accountants,  
BB House, 5 - Collegewadi,  
Near Kathiawad Gymkhana,  
Rajkot - 360 001,  
Gujarat

Registrars &  
Share Transfer Agent

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

## RAJATH FINANCE LIMITED

### NOTICE

NOTICE is hereby given that the **34<sup>th</sup> Annual General Meeting** of the Members of the Company will be held on **Friday, 27<sup>th</sup> September, 2019** at 11:00 a.m. at the Registered Office of the Company situated at 208-215, Star Plaza, Phulchhab Chowk, Rajkot-360001, to transact the following business:

❖ **Ordinary Business:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2019 and the reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of **Mr. Hitesh M. Bagdai**, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint Auditors of the Company and fix their remuneration and to consider and if thought fit, to pass following resolution as an **Ordinary Resolution** thereof:

**“RESOLVED THAT** pursuant to the provisions of section 139 of the Companies Act, 2013 and the rules made thereunder, and pursuant to the recommendations of the Audit Committee of the Board of Directors, **M/s. A D Vyas & Co., Chartered Accountants (ICAI Registration No. 113588W)**, be and is hereby appointed as Statutory Auditor of the Company, to hold office from the conclusion of this Annual General Meeting to the conclusion of Annual General Meeting to be held in the financial year 2024-25 (for the financial year 2023-24) and the Board of Directors be and are hereby authorized to fix such remuneration as agreed upon between the Auditors and the Board of Directors.”

**Date : 30.08.2019**

**Place : Rajkot**

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

\_\_\_\_\_  
**(HITESH BAGDAI)**  
**Managing Director**  
**DIN: 00575732**

❖ **Special Business:**

4. Re-appointment of Mr. Hitesh M. Bagdai as a Managing Director.

To consider and if thought fit, to pass with or without modification following Resolution as Special Resolution

**“RESOLVED THAT** pursuant to the provisions of Section-196 and 197 of Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) and re-enactment thereof for the time being in force) Mr. Hitesh M. Bagdai, Managing Director, [DIN:00575732] of the Company be and is hereby re-appointed as a Managing Director of the Company for a period of Five from the date of AGM.

**Date : 30.08.2019**

**Place : Rajkot**

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

\_\_\_\_\_  
**(HITESH BAGDAI)**  
**Managing Director**  
**DIN: 00575732**

## **RAJATH FINANCE LIMITED**

### **Explanatory Statement Pursuant to Section 102 of the Companies Act 2013:**

The Board of Directors had appointed Shri Hitesh M. Bagdai [DIN: 00575732] as a Managing Director of the Company w.e.f 01<sup>st</sup> October, 2011 for a period of Three years. Hence the tenure of Shri Hiteshbhai M. Bagdai is expired in the year 2014 and at that time Companies Act, 2013 come into effect and there is no clarity regarding tenure of Managing Director like whether Managing Director appointed under the provisions of Companies Act, 1956 continue as a Managing Director under the provisions of Companies Act, 2013 or not. Therefore after completion of five years from the year 2014 Board of Directors of the Company has decided to re-appoint Shri Hitesh Bagdai as a Managing Director subject to approval of members in the ensuing Annual General Meeting.

Pursuant to the said provision of the Companies Act, 2013, the Company has received Form DIR-2(Consent to act as Managing Director) from Hitesh Bagdai, Managing Director [DIN: 00575732] to act as a Managing Director of the Company.

Members are hereby requested to accord their consent for the said matter and pass the Resolution at Item no. 4 as a Special Resolution.

None of the Directors, Key Managerial Personnel of the Company or Relatives of Directors is deemed to be interested in the Resolution. Except Poonam Bagdai, Director and being wife of said Director is interested in the resolution.

Any Document referred to in aforesaid resolution at Item No. 4 is available for inspection for any member between 10:00AM to 01:00PM during any working day.

**Date : 30.08.2019**

**Place : Rajkot**

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

\_\_\_\_\_  
**(HITESH BAGDAI)**  
**Managing Director**  
**DIN: 00575732**

**Address of Registered Office:**

**Rajath Finance Limited,**

CIN: L65910GJ1984PLC007486

208 - 215 Star Plaza,

PhulchhabChowk,

Rajkot - 360 001, Gujarat, India

Contact Number: 0281 - 30133 44 / 244 78 00

Fax: 0281 - 2454271

E-Mail: [investorrelationsrajath@hotmail.com](mailto:investorrelationsrajath@hotmail.com)

Website: [www.rajathfinance.in](http://www.rajathfinance.in)

## RAJATH FINANCE LIMITED

### NOTES:

- A. A Member entitled to attend and vote at the Annual General Meeting (“the meeting”) is entitled to appoint a proxy to attend and vote on poll and the proxy need not be a member of the Company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital may appoint a single person as proxy and such person shall not act as a proxy for any other person or member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.
- B. The Register of Members and Share Transfer Books of the Company will remain closed from **Monday, 23<sup>rd</sup>, September 2019 to Saturday, 28<sup>th</sup> September, 2019.**
- C. Electronic copy of the Annual report is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Annual report is being sent in the permitted mode.
- D. To promote green initiative, members are requested to register their e-mail addresses through their Depository Participants for sending the future communications by e-mail. Members holding the shares in physical form may register their e-mail addresses through the RTA, giving reference of their Folio Number. Members may also note that the Annual Report for FY 2018-19 will also be available on the Company’s website [www.rajathfinance.com](http://www.rajathfinance.com) for their download.
- E. In Compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing facility to the members to exercise their right to vote at the 34<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting platform provided by Link Intime India Private Limited (LIPL).



- F. The person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on Friday, 20<sup>th</sup> September, 2019 i.e. cutoff date only shall be entitled to avail the facility of remote e-voting as well as the voting in the Annual General Meeting. The members may cast their votes on electronic voting system from place other than the venue of the meeting (remote e-voting). **The remote e-voting period will commence on Tuesday, 24th September, 2019 at 9.00 a.m. and will end on Thursday, 26th September, 2019 at 5.00 p.m.** In addition, the facility for voting through electronic voting system shall also be made available at the AGM and the Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to vote at the AGM. The Company has appointed Ms. Purvi G. Dave, Practising Company Secretary, Partner, MJP Associates, Practising Company Secretaries, to act as the Scrutinizer & scrutinize the entire e-voting process in Annual General Meeting in a fair and transparent manner. The instructions for e-voting with User Id and Password is being sent by electronic mode to all members whose email addresses are registered with the Company/Depository Participant(s) unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies are being sent by the permitted mode. The instructions for remote e-voting are given hereunder after closure of notes.
- G. All documents referred to in the accompanying Notice shall be open for inspection at the Registered Office of the Company during normal business hours (9 A.M. to 5 P.M.) on all working days except Saturdays and Sundays, up to and including the date of the Annual General Meeting of the Company.

## RAJATH FINANCE LIMITED

### BRIEF PROFILE OF DIRECTORS SEEING APPOINTMENT:

Director's Name	MR. HITESH M. BAGDAI
Age	55 Years
Date of Appointment as Director in Company	27 <sup>th</sup> February, 2007
Qualification	Graduate
Experience in specific functional area	Wide experience in real estate business
Directorship held in other public limited Indian Companies (excluding Directorship in Rajath Finance Limited)	Nil
Membership/Chairmanship of Committees public limited Indian Companies (excluding Membership/Chairmanship of Committees in Rajath Finance Limited)	Nil

**Date** : 30.08.2019

**Place** : Rajkot

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

(HITESH BAGDAI)  
Managing Director  
[DIN: 00575732]

**Instructions for e-Voting:**

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2017 as amended by the Companies (Management and Administration) Amendment Rules 2015 and as per Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the listing agreement, the Company is pleased to provide members facility to exercise their right to vote at the 33<sup>RD</sup> Annual General Meeting by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Link Intime India Private Limited (LI IPL).

The e-voting facility will be commenced on Tuesday, 24th September, 2019 at 9.00 a.m. and will end on Thursday, 26<sup>th</sup> September, 2019 at 5.00 p.m. The cut-off date for the purpose of ascertaining the eligibility of members to avail e-voting facility is 20<sup>th</sup> September, 2019. The voting rights of members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date.

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

Please read the instructions given below before exercising the vote.

1. Visit the e-voting system of LI IPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
2. Click on "Login" tab, available under 'Shareholders' section.
3. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
4. Your User ID details are given below:
  - a. Shareholders holding shares in demat account with NSDL: Your User ID is 8 Character DP ID followed by 8 Digit Client ID
  - b. Shareholders holding shares in demat account with CDSL: Your User ID is 16 Digit Beneficiary ID
  - c. Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company
5. Your Password details are given below:

If you are using e-Voting system of LI IPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

## RAJATH FINANCE LIMITED

Click on “Sign Up” tab available under ‘Shareholders’ section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

	<b>For Shareholders holding shares in Demat Form or Physical Form</b>
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). <ul style="list-style-type: none"><li>Members who have not updated their PAN with depository Participant or in the company record are requested to use the sequence number which is printed on Ballot Form / Attendance Slip indicated in the PAN Field.</li></ul>
DOB/ DOI	Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.
Bank Account Number	Enter the Bank Account number (Last Four Digits) as recorded in your demat account or in the company records for the said demat account or folio number. <ul style="list-style-type: none"><li>Please enter the DOB/ DOI or Bank Account number in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Bank Account number field as mentioned in instruction (iv-c).</li></ul>

If you are holding shares in demat form and had registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company then you can use your existing password to login.

If Shareholders holding shares in Demat Form or Physical Form have forgotten password:

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on “SUBMIT”.

Incase shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The

password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)

NOTE: The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LIPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

### ❖ Cast your vote electronically

6. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View "Event No" of the company, you choose to vote.

7. On the voting page, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

Cast your vote by selecting appropriate option i.e. Favour/ Against as desired.

Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/ Against'. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/ Against'.

8. If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.

9. After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.

10. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

11. You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.

## RAJATH FINANCE LIMITED

### ❖ General Guidelines for shareholders:

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'.

They are also required to upload a scanned certified true copy of the board resolution / authority letter / power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutinizer to verify the same.

- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".
- Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or **write an email to enotices@linkintime.co.in** or **Call us :- Tel : 022 - 49186000**.

CS (Ms.) Purvi Dave, Partner, MJP Associates, Practising Company Secretaries (Membership No. A27373) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

The results shall be declared on or after the AGM of the Company. The Results along with the Scrutinizer's Report(s) will be available on the website of the Company ([www.rajathfinance.com](http://www.rajathfinance.com)) and on LIPL's website (<https://instavote.linkintime.co.in>), within two (2) days of passing of the resolutions at the AGM and communicated to the BSE Limited, where the shares of the Company are listed.

**DIRECTORS' REPORT**

To,  
The Members,  
Rajath Finance Limited,

Your Directors are pleased to present their **34<sup>th</sup> Annual Report** for the financial year ended on 31<sup>st</sup> March, 2019.

**FINANCIAL RESULTS:**

Your Company's performance for the year ended on 31<sup>st</sup> March, 2019, is summarized as under:  
(Amt. in Rs.)

<b>SR. NO.</b>	<b>PARTICULARS</b>	<b>2018-19</b>	<b>2017-18</b>
1.	Revenue from Operation	24,92,848	25,73,335
2.	Other Income	20,082	13,496
<b>3.</b>	<b>Total Revenue (1+2)</b>	<b>25,12,930</b>	<b>25,86,831</b>
4.	Employee Benefit Expenses	8,18,568	4,05,115
5.	Depreciation & Amortization Exp.	3,19,687	1,26,616
6.	Other Expenses	42,84,334	68,36,201
<b>7.</b>	<b>Profit/(Loss) Before Tax</b>	<b>(29,09,659)</b>	<b>(47,81,101)</b>
8.	Current Tax	0	0
9.	Deferred Tax	(5,91,039)	(12,67,714)
10.	Excess/short provision relating earlier year tax	1,14,400	0
<b>11.</b>	<b>Profit/(Loss) After Tax (PAT)</b>	<b>(24,33,020)</b>	<b>(35, 13,387)</b>

**STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK :**

During the year under review, your Company's revenue from operation has decreased from Rs. 25,73,335/- for previous F.Y. to Rs. 24,92,848/- revenue of reporting year. Due to decrease in other expenses from Rs. 68,36,201/- for previous year 2017-18 to Rs. 42,84,334/- for the reporting year Net loss of the Company also reduce from Rs. 29,09,659/- for previous year to Rs. 47,81,101/- for the reporting period. Management of the Company has made their total effort to convert its losses into profit but unable to succeed. Furthermore looking at the positive market scenario for the financial sector management of the Company foresees better performance of the Company.

## **RAJATH FINANCE LIMITED**

### **DECLARATION OF DIVIDEND & TRANSFER OF AMOUNT TO RESERVES:**

Due to loss, your Board of Directors does not recommend any dividend for the financial year 2018-19. Moreover, no amount is being transferred to Reserves during the financial year 2018-19.

### **SHARE CAPITAL:**

The paid-up Equity Share Capital of the company as on March 31, 2019 was Rs. 4 crores. During the year under review, the Company has not issued any shares or any convertible instruments.

### **EXTRACT OF ANNUAL RETURN:**

Pursuant to Section 134 (3) (a) of Companies Act, 2013, Form MGT 9 [as specified in Section 92(3) read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014] the extract of Annual Return for the Financial Year 2018-19 is enclosed with this report as Annexure-I.

The Annual Return in Form MGT-7 as required under Section 92(3) of the Act shall be hosted on the website of the company viz. <http://rajathfinance.in/annual-report-34th>

### **BOARD MEETINGS AND INDEPENDENT DIRECTOR'S MEETING :**

The Board of Directors of the Company respectively met five times on 11/04/2018, 29/05/2018, 10/08/2018, 05/11/2018, 22/12/2018 and 28/01/2019 during the financial year 2018-19.

Further, the Independent Directors meeting was held on 28/01/2019 to review the performance of non-independent directors and the Board as a whole, taking into account the views of executive directors and non-executive directors and assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

### **BOARD'S RESPONSIBILITY STATEMENT:**

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

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed and there are no material departures from the same;
- b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period;
- c) the directors have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the



provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- d) the directors have prepared the annual accounts on a going concern basis; and
- e) the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively.
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

**DECLARATION (OF INDEPENDENCE) BY INDEPENDENT DIRECTORS:**

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

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

**RATIO OF REMUNARATION OF EACH DIRECTOR TO THE MEDIAN REMUNARATION OF THE EMPLOYEES OF THE COMPANY FOR THE FINANCIAL YEAR 2018-19:**

The information required pursuant to section 197 (12) read with Rule 5 (1) (i) of the Companies (Appointment and Remuneration OF Managerial Personnel) Rules 2014 in respect of ratio of remuneration of each director to the median remuneration of the employee of the Company for the financial year 2018-19, will be made available for inspection at its registered office of the Company during the working hours for a period of twenty one days before the date of Annual General Meeting of the company pursuant to Section 136 of the Companies Act, 2013 and members, if any interested in obtaining the details thereof, shall make specific request to the officer of the Company in this regard.

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

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

**FORMAL ANNUAL EVALUATION OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS:**

The Board has carried out annual performance evaluation of its own performance, the directors individually as well the evaluation of the working of its Audit, Nomination & Remuneration and Shareholders Grievance committee.

## **RAJATH FINANCE LIMITED**

### **STATUTORY AUDITOR AND AUDITORS' REPORT:**

Pursuant to provisions of Section 139(2) tenure of M/s. SADP & CO., Chartered Accountants, Rajkot, Statutory Auditors of the Company, is expired on conclusion of this Annual General Meeting. Consequently, pursuant to the recommendations of the Audit Committee of the Board of Directors, M/s. A D Vyas & Co., Chartered Accountants (ICAI Registration No. 113588W), to be appointed as Statutory Auditor of the Company, the board has recommended the same for your approval, to hold office from the conclusion of this Annual General Meeting to the conclusion of Annual General Meeting to be held in the financial year 2024-25 (for the financial year 2023-24). They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment.

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

### **SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT:**

The Board has appointed CS Binal Patel, Practising Company Secretary, to conduct Secretarial Audit for the financial year 2018-19. The Secretarial Audit Report for the financial year ended March 31, 2019 is annexed herewith as Annexure II. The Secretarial Auditors have observed about the non-appointment of Company Secretary, Chief Financial Officer, and Internal Auditor in the Company. The delay in the appointments has been occurred due to weak financial position of the Company. However, the management is assuring that the Company will soon proceed for the appointment of the required KMPs in terms of the provisions of the Companies Act, 2013.

### **PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS MADE:**

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

### **PARTICULARS OF CONTRACTS/ARRANGEMENTS WITH RELATED PARTIES:**

The Company has not entered into any contract or arrangement with related party which was not at arms' length requiring approval of shareholders in the general meeting as required under section 188 of the Companies Act, 2013. The Audit Committee reviews all the transactions with related party on quarterly basis and recommends the same to the Board for their approval. The details regarding of contracts/arrangement with related parties are disclosed in the AOC-2 is attached herewith as Annexure-III

**CORPORATE SOCIAL RESPONSIBILITY (CSR):**

Pursuant to provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, every company with a net worth of Rs. 500 Crores or more OR an annual turnover of Rs.1000 Crores or more OR with a net profit of Rs. 5 Crores or more is required to constitute a CSR Committee. At present, the Company is not required to constitute a CSR Committee in this regards as none of the above referred limits have been triggered.

**BOARD OF DIRECTORS:**

During the year under review there was no changed in the composition of the Board of Directors of the Company.

In terms of Section 152 (6) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Hitesh M. Bagdai, Director (DIN: 00575732) retires by rotation and being eligible, has offered himself for re-appointment. The Board recommends the same for your approval.

As on 31<sup>st</sup> March, 2019, Composition of Board of Directors was as follows:

Sr No.	Name	Designation	Category	Director Identification Number (DIN)	Date of Appointment
1	Mr. Hitesh Manubhai Bagdai	Managing Director	Executive	00575732	27/02/2007
2	Mr. Bhavdeep Vajubhai Vala	Director	Executive	00153775	27/02/2007
3	Mr. Kantilal Kalidas Khakhar	Director	Independent	01957569	05/02/2008
4	Mr. Ketanbhai Govindbhai Dhulesiya	Director	Independent	02252208	31/03/2009
5	Mrs. Poonam Hitesh Bagdai	Director	Non-Executive & Non-Independent	00353024	30/10/2015
6	Mr. Janish Navinchandra Ajmera	Director	Independent	06708217	30/12/2013

## RAJATH FINANCE LIMITED

### BOARD COMMITTEES:

**AUDIT COMMITTEE:** The Company is having an adequate Audit Committee comprising of following Directors:

Sr. No.	Name & DIN of the Director	Status	Category
1	Mr. Kantilal Khakhar (DIN: 01957569)	Chairman of Audit Committee	Non – Executive and Independent Director
2	Mr. Ketan Dhulesia (DIN: 02252208)	Member	Non – Executive and Independent Director
3	Mr. Bhavdeep Vala (DIN: 00153775)	Member	Executive Director

During the year under report, all the recommendations of the Audit Committee were duly considered.

**NOMINATION AND REMUNERATION COMMITTEE:** The Company is having an adequate Nomination and Remuneration Committee comprising of following Directors:

Sr. No.	Name & DIN of the Director	Status	Category
1	Mr. Kantilal Khakhar (DIN: 01957569)	Chairman of Nomination & Remuneration Committee	Non – Executive and Independent Director
2	Mr. Ketan Dhulesia (DIN: 02252208)	Member	Non – Executive and Independent Director
3	Mr. Bhavdeep Vala (DIN: 00153775)	Member	Executive Director

**SHAREHOLDERS GRIEVANCE COMMITTEE:** The Company is having a Shareholder Grievance Committee comprising of following Directors:

<b>Sr. No.</b>	<b>Name &amp; DIN of the Director</b>	<b>Status</b>	<b>Category</b>
1	Mr. Ketan Dhulesia (DIN: 02252208)	Chairman of Shareholder Grievance Committee	Non - Executive and Independent Director
2	Mr. Kantilal Khakhar (DIN: 01957569)	Member	Non - Executive and Independent Director
3	Mr. Bhavdeep Vala (DIN: 00153775)	Member	Executive Director

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The Company has not taken any significant step for conservation of energy during the year under Report. However, your Company has been increasingly using information technology in its operations and promotes conservation of resources. Further, during the year under review, there was no foreign earning or expenditure in the Company.

**PARTICULARS OF EMPLOYEES:**

There are no employees in the Company drawing remuneration of more than Rs. 8,50,000/- per month or Rs.1,02,00,000/- per annum, as prescribed in Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**CORPORATE GOVERNANCE :**

Provisions relating to Corporate Governance as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not applicable to our company. Further Certificate regarding non-applicability of Corporate Governance requirements from M/s. SADP & Co, Chartered Accountants, and the Statutory Auditors of the Company is annexed to this Report of Board of Directors. However, in pursuance of applicable provisions of the Companies Act, 2013, the Company has constituted the Audit Committee, Stakeholder Grievances Committee, and Nomination & Remuneration Committee.

**SUBSIDIARIES, JOINT VENTURE OR ASSOCIATE COMPANIES:**

As on 31<sup>st</sup> March, 2019, the Company doesn't have any Subsidiary, Joint Venture or Associate Companies.

## **RAJATH FINANCE LIMITED**

### **INTERNAL FINANCIAL CONTROLS:**

The Company has adequate internal financial controls with reference to financial statements. During the year under report, no reportable material weakness was observed.

### **VIGIL MECHANISM:**

Pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at [www.rajathfinance.in](http://www.rajathfinance.in)

### **PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE:**

The company has in place a policy for prevention, prohibition and redressal of Sexual Harassment at workplace. Appropriate mechanisms are in place for protection against sexual harassment and right to work with dignity.

During the year under review, the company has not received any complaints regarding this matter and there were no suits filed pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

### **OTHER DISCLOSURES:**

- Your Company has not invited/ accepted any Deposits under the provisions of Section 73 of the Companies Act, 2013 and the Rules made there under.
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- There have been no instances of any revision in the Board's Report or the financial statement, hence disclosure under Section 131(1) of the Act.
- The Company has not paid any commission to any of its Directors and hence, provision of disclosure of commission paid to any Director as mentioned in Section 197(14) is not applicable.
- The Company has not issued any shares to any employee, under any specific scheme, and hence, disclosures under Section 67(3) are not required to be made.
- No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company.
- The Company is not required to get its cost records audited for the financial year 2018-19

**ACKNOWLEDGEMENT:**

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

Date : 30/08/2019

Place : Rajkot

By Order of the Board of Directors

**For, RAJATH FINANCE LIMITED,**

<b>(HITESH M. BAGDAI)</b>	<b>(BHAVDEEP V. VALA)</b>
<b>MANAGING DIRECTOR</b>	<b>DIRECTOR</b>
<b>(DIN: 00575732)</b>	<b>(DIN: 00153775)</b>

## RAJATH FINANCE LIMITED

### “ANNEXURE -I TO ‘DIRECTORS’ REPORT OF RAJATH FINANCE LIMITED

(Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014)

Financial Year ended on 31/03/2019

#### (I) REGISTRATION AND OTHER DETAILS:

(i)	CIN	L65910GJ1984PLC007486
(ii)	Registration date	13 <sup>TH</sup> December, 1984
(iii)	Name of the Company	Rajath Finance Limited
(iv)	Category/Sub-category of the Company	Company having share capital
(v)	Address of the Registered Office and Contact Details	<b>Address of Registered Office:</b> 208 - 215 Star Plaza, Phulchhab Chowk, Rajkot - 360 001 Gujarat  <b>Contact Details:</b> Phone: 0281 - 2447800 / 3013344 Fax: 0281 - 2454271 E-Mail Id: <a href="mailto:investorrelationsrajath@hotmail.com">investorrelationsrajath@hotmail.com</a> website: <a href="http://www.rajathfinance.in">www.rajathfinance.in</a>
(vi)	Whether Listed Company? Yes / No	Yes
(vii)	Name, address and contact details of Registrar and Share Transfer Agent.	<b>Link Intime India Private Limited</b> Unit No. 303, 3rd Floor, Shoppers Plaza V Opp. Municipal Market B/h. Shoppers Plaza Off. C G Road, Ahmedabad - 380009 Tele No. 079-26465179 Email: <a href="mailto:ahmedabad@linkintime.co.in">ahmedabad@linkintime.co.in</a>



**(II) PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sr. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Non - Banking Financial Services	6599	100%

**(III) PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sr. No.	Name and address of the Company	CIN/GLN	Holding/Subsidiary/Associate	% of Shares held	Applicable Section
1	NONE				

## RAJATH FINANCE LIMITED

### (IV) SHAREHOLDING PATTERN: (Equity Share Capital Break up as % to total Equity)

#### (i) Category - wise shareholding:

Sr. No.	Category of Shareholders	No of Shares held at the beginning of the year 01.04.2018				No of Shares held at the end of the year 31.03.2019				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A</b>	<b>PROMOTERS</b>									
(1)	<b>Indian</b>	---	---	---	---	---	---	---	---	---
(a)	Individual/HUF	2790555	---	<b>2790555</b>	69.76%	2790555	---	<b>2790555</b>	69.76%	---
(b)	Central Govt.	---	---	---	---	---	---	---	---	---
(c)	State Govt.(s)	---	---	---	---	---	---	---	---	---
(d)	Bodies Corp.	---	---	---	---	---	---	---	---	---
(e)	Banks/FIs	---	---	---	---	---	---	---	---	---
(f)	Any Other	---	---	---	---	---	---	---	---	---
	<b>Sub - Total (A) (1)</b>	2790555	---	<b>2790555</b>	69.76%	2790555	---	<b>2790555</b>	69.76%	---
(2)	<b>Foreign</b>	---	---	---	---	---	---	---	---	---
(a)	NRI - Individuals	---	---	---	---	---	---	---	---	---
(b)	Other -Individuals	---	---	---	---	---	---	---	---	---
(c)	Bodies Corp.	---	---	---	---	---	---	---	---	---
(d)	Banks/FI	---	---	---	---	---	---	---	---	---
(e)	Any Other	---	---	---	---	---	---	---	---	---
	<b>Sub - Total (A) (2)</b>	---	---	---	---	---	---	---	---	---
	<b>TOTAL Shareholding of Promoter (A) = (A) (1) + (A) (2)</b>	2790555	---	<b>2790555</b>	69.76%	2790555	---	<b>2790555</b>	69.76%	---
<b>B</b>	<b>PUBLIC SHAREHOLDING</b>									
<b>1</b>	<b>Institutions</b>									
(a)	Mutual Funds	---	---	---	---	---	---	---	---	---
(b)	Banks/FI	---	---	---	---	---	---	---	---	---
(c)	Central Govt.	---	---	---	---	---	---	---	---	---
(d)	State Govt.	---	---	---	---	---	---	---	---	---
(e)	Venture Capital Funds	---	---	---	---	---	---	---	---	---
(f)	Insurance Companies	---	---	---	---	---	---	---	---	---
(g)	FII's	---	---	---	---	---	---	---	---	---
(h)	Foreign Venture Capital Funds	---	---	---	---	---	---	---	---	---
(i)	Others (Specify)	---	---	---	---	---	---	---	---	---
(j)	<b>Sub - Total (B)(1)</b>	---	---	---	---	---	---	---	---	---
<b>2</b>	<b>Non-Institutions</b>									
(a)	Bodies Corporate									
(i)	Indian	986312	1500	<b>987812</b>	24.70%	160300	1500	<b>161800</b>	4.045%	-20.66%
(ii)	Overseas	---	---	---	---	---	---	---	---	---

## 34th ANNUAL REPORT

Sr. No.	Category of Shareholders	No of Shares held at the beginning of the year 01.04.2018				No of Shares held at the end of the year 31.03.2019				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(b)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs.1 Lakh	18815	114568	133383	3.33%	19115	114368	133483	3.34%	0.01%
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh.	87000	---	87000	2.17%	87000	---	87000	2.17%	---
(c)	Others (specify)									
	Hindu Undivided Family	1000	---	1000	0.025%	1000	---	1000	0.025%	---
	Non-Resident Indians (Non Repat)	150	---	150	0.0038%	50	---	50	0.0013%	-0.0025%
	Clearing Member	100	---	100	0.0025%	826112	---	826112	20.65%	20.65%
	<b>Sub-total(B) (2)</b>	<b>1093377</b>	<b>116068</b>	<b>1209445</b>	<b>30.24%</b>	<b>1093577</b>	<b>115868</b>	<b>1209445</b>	<b>30.24%</b>	<b>---</b>
	<b>Total Public shareholding (B)=B(1)+B(2)</b>	<b>1093377</b>	<b>116068</b>	<b>1209445</b>	<b>30.24%</b>	<b>1093577</b>	<b>115868</b>	<b>1209445</b>	<b>30.24%</b>	<b>---</b>
C	Shares held by Custodian for ADRs and GDRs.	---	---	---	---	---	---	---	---	---
	<b>GRAND TOTAL</b>	<b>3883932</b>	<b>116068</b>	<b>4000000</b>	<b>100%</b>	<b>3884132</b>	<b>115868</b>	<b>4000000</b>	<b>100%</b>	<b>---</b>

### (ii) Shareholding of Promoters:

Sr. No.	Shareholder's name	Shareholding at the beginning of the year 01.04.2018			Shareholding at the end of the year 31.03.2019			% Change
		No. of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	
1	Hitesh Mansukhbhai Bagdai	8,96,853	22.42%	---	8,96,853	22.42%	---	---
2	Poonamben Hitesh Bagdai	8,96,851	22.42%	---	8,96,851	22.42%	---	---
3	Bhavdeep Vajubhai Vala	9,96,851	24.92%	---	9,96,851	24.92%	---	---
	<b>GRAND TOTAL</b>	<b>27,90,555</b>	<b>69.76%</b>	<b>---</b>	<b>27,90,555</b>	<b>69.76%</b>	<b>---</b>	<b>---</b>

## RAJATH FINANCE LIMITED

### (iii) Change in Promoter's Shareholding:

Sr. No.	Particulars	Shareholding at the beginning of the year 01.04.2018		Cumulative Shareholding during the year 31.03.2019	
		No. of Shares	% of total shares of Company		
1	At the beginning of the year	27,90,955	69.76%	1	At the beginning of the year
2	Date wise increase/decrease in promoters shareholding during the year specifying the reasons for increase / decrease  (e.g. allotment/ transfer/bonus/sweat equity, etc.)	No Change	No Change	2	Date wise increase/ decrease in promoters shareholding during the year specifying the reasons for increase / decrease  (e.g. allotment/transfer/bonus/sweat equity, etc.)
3	At the end of the year	27,90,955	69.76%	3	At the end of the year

### (iv) Shareholding Pattern of top ten shareholders:

#### (Other than Directors, Promoters & Holders of GDRs & ADRs):

Sr. No	Particulars	Shareholding at the beginning of the year 01.04.2018		Particulars			Cumulative Shareholding during the year 31.03.2019	
		No. of Shares	% of total shares of Company	Date	Increase/Decrease	Reason	No. of Shares	% of total shares of Company
1	K. A. INVESTMENTS CONSULTANCY LLP	826012	20.65%	15/01/2019	Decrease	Sale	---	---
2	SAMRUDDHI FINSTOCK PRIVATE LIMITED	160000	4.00%	---	---	---	160000	4.00%
3	HEMANT RATILAL SHAH	87000	2.18%	---	---	---	87000	2.18%
4	SHUKLA NATWARLAL B	4000	0.10%	---	---	---	4000	0.10%
5	PIPALIA LALJIBHAI M	2400	0.06%	---	---	---	2400	0.06%
6	PRITI NAVIN NISHAR	2001	0.05%	---	---	---	2001	0.05%
7	RAJESHKUMAR RAMJIBHAI PATEL	1603	0.04%	---	---	---	1603	0.04%
8	MUKUND G SHAH	1400	0.04%	---	---	---	1400	0.04%
9	KAMLESH KUMAR PAL	1200	0.03%	---	---	---	1200	0.03%
10	BABULAL R. PRAJAPATI	1100	0.03%	---	---	---	1100	0.03%
11	SAMCO SECURITIES LIMITED	---	---	15/01/2019	Increase	Purchase	826012	20.65%

**Note:** (i) The increase / decrease in the no. of shares are due to purchase/sale of shares  
(ii) Change in the top 10 shareholders at the beginning of the year and at the end of the year

**(v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:****1. Hitesh Manubhai Bagdai - Managing Director:**

Sr. No.	For Each of the Director and KMP	Shareholding at the beginning of the year 01.04.2018		Cumulative shareholding during the year 31.03.2019	
		No. of Shares	% of Total shares of the Company		
1	At the beginning of the year	896853	22.42%	1	At the beginning of the year
2	Date wise increase/decrease in share holding during the year specifying the reasons for increase/decrease  (e.g. allotment, transfer, bonus, sweat equity, etc.)	---	---	2	Date wise increase/decrease in share holding during the year specifying the reasons for increase/decrease  (e.g. allotment, transfer, bonus, sweat equity, etc.)
3	At the end of the year (or on the date of separation, if separated during the year)	896853	22.42%	3	At the end of the year (or on the date of separation, if separated during the year)

**2. Bhavdeep Vajubhai Vala - Director:**

Sr. No.	For Each of the Director and KMP	Shareholding at the beginning of the year 01.04.2018		Cumulative shareholding during the year 31.03.2019	
		No. of Shares	% of Total shares of the Company		
1	At the beginning of the year	996851	24.92%	1	At the beginning of the year
2	Date wise increase/decrease in share holding during the year specifying the reasons for increase/decrease  (e.g. allotment, transfer, bonus, sweat equity, etc.)	---	---	2	Date wise increase/decrease in share holding during the year specifying the reasons for increase/decrease  (e.g. allotment, transfer, bonus, sweat equity, etc.)
3	At the end of the year (or on the date of separation, if separated during the year)	996851	24.92%	3	At the end of the year (or on the date of separation, if separated during the year)

## RAJATH FINANCE LIMITED

### 3. Poonam Hitesh Bagdai -Director:

Sr. No.	For Each of the Director and KMP	Shareholding at the beginning of the year 01.04.2018		Cumulative shareholding during the year 31.03.2019	
		No. of Shares	% of Total shares of the Company		
1	At the beginning of the year	896851	22.42%	1	At the beginning of the year
2	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease  (e.g. allotment, transfer, bonus, sweat equity, etc.)	No Change	No Change	2	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease  (e.g. allotment, transfer, bonus, sweat equity, etc.)
3	At the end of the year (or on the date of separation, if separated during the year)	896851	22.42%	3	At the end of the year (or on the date of separation, if separated during the year)

#### (V) INDEBTEDNESS:

Indebtedness of the Company interest outstanding / accrued but not due for payment:

	Secured Loans Excluding Deposited	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
(i)Principal Amount	--	--	--	--
(ii)Interest due but not paid	--	--	--	--
(iii)Interest accrued but not due	---	---	---	---
<b>Total (i+ii+iii)</b>	---	---	---	---

Change in Indebtedness During the financial year				
*Addition	---	---	---	---
*Reduction	---	---	---	---
<b>Net Change</b>	---	---	---	---
<b>Indebtedness at the end of the financial year</b>				
(i)Principal Amount	---	---	---	---
(ii)Interest due but not paid	---	---	---	---
(iii)Interest accrued but not due	---	---	---	---
<b>Total (i+ii+iii)</b>	---	---	---	---

**(VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sr. No	Particulars of Remuneration	Hitesh Bagdai (Managing Director)	Total Amount
1.	Gross Salary:		
	(a)Salary as per provision contained in section 17(1) of the Income tax Act, 1961	4,52,400	4,52,400
	(b) Value of perquisites under section 17(2) Income-tax Act, 1961	---	---
	© Profits in lieu of salary under section 17(3) Income-tax Act, 1961	---	---
2.	Stock option	---	---
3.	Sweat equity	---	---

## RAJATH FINANCE LIMITED

4.	Commission: - As % of profit - Other, specify...	---	---
5.	Others, please specify	---	---
<b>Total (A)</b>		4,52,400	4,52,400

### B. Remuneration to other Directors:

Sr No	Particulars of Remuneration	BhavdeepVala Executive Director	KantilalKhakhar Independent Director	Ketan Desai Independent Director	JanishAjmera Independent Director	PoonamBagdai Non-executive & Non-Independent Director
1	<b>Independent Director</b>  Fees for attending Board/ Committee Meeting  - Commission  - Other, please specify  TOTAL (B) (1)  --	---	---	---	---	---
2	<b>Other Non - Executive Director</b>  Fees for attending Board/ committee meeting  - Commission  - Other, please specify  -- TOTAL (B) (2)	---	---	---	---	---
	TOTAL (B) (2)	---	---	---	---	---



	Total(B) = (1+2)	---	---	---	---	---
	<b>Total Managerial Remuneration</b>	---	---	---	---	---

**C. Remuneration to Key Managerial Personnel other than as Managing Director / Manager / Whole-time Director:**

Sr No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross Salary <ul style="list-style-type: none"> <li>• Salary as per provisions contained in section 17(1) of the Income tax Act, 1961</li> <li>• Value of perquisites under section 17(2) Income tax Act, 1961</li> <li>• Profit in lieu of salary under section 17(3) Income tax, 1961</li> </ul>	---	---	---	---
2.	Stock Option	---	---	---	---
3.	Sweat Equity	---	---	---	---
4.	Commission <ul style="list-style-type: none"> <li>• As % of profit</li> <li>• Other, specify</li> </ul>	---	---	---	---
5.	Other, please, specify	---	---	---	---
	Total	---	---	---	---

## RAJATH FINANCE LIMITED

### (VII) PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty	---	---	---	---	---
Punishment	---	---	---	---	---
Compounding	---	---	---	---	---
<b>B. DIRECTORS</b>					
Penalty	---	---	---	---	---
Punishment	---	---	---	---	---
Compounding	---	---	---	---	---
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	---	---	---	---	---
Punishment	---	---	---	---	---
Compounding	---	---	---	---	---

Date : 30/08/2019  
Place : Rajkot

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

**(HITESH BAGDAI)**  
MANAGING DIRECTOR  
(DIN: 00575732)

**(BHAVDEEP VALA)**  
DIRECTOR  
(DIN: 00153775)

## Form AOC 2

“Annexure – II”

To

Directors’ Report of Rajath Finance Limited

(Pursuant to Section 134 (3) (h) of the Act read with Rule 8 (2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

## 1. Details of contracts or arrangements or transactions not at arm’s length basis

SL. No.	Name (s) of the related party & nature of relationship	Nature of contracts/arrangements/ transaction	Duration of the contracts/arrangements/ transaction	Salient Features & value	Justification for entering into such contracts or arrangements or transactions	Date of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

## 2. Details of material contracts or arrangements or transactions at Arm’s length basis.

SL. No.	Name (s) of the related party & nature of relationship	Nature of contracts/arrangements/ transaction	Duration of the contracts/arrangements/ transaction	Salient Features & value	Date of approval by the Board	Amount paid as advances, if any
a	Mr. Hitesh M. Bagdai Managing Director	Car Hire Charges	---	4,80,000/-	---	---

Note:

- ⇒ Date of approval by the Board: Not Applicable, since the contracts were entered into in the ordinary course of business and on arm’s length basis.
- ⇒ All transactions are reviewed at regular interval and it is generally renewed on year to year basis.

By Order of the Board of Directors

For, **Rajath Finance Limited,**

Date : 30/08/2019

Place : Rajkot.

**(HITESH M. BAGDAI)**      **(BHAVDEEP V. VALA)**  
MANAGING DIRECTOR      DIRECTOR  
(DIN: 00575732)      (DIN: 00153775)

## RAJATH FINANCE LIMITED

**Form MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**Rajath Finance Limited** [CIN: L65910GJ1984PLC007486]

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practises by **RAJATH FINANCE LIMITED** [CIN:L65910GJ1984PLC007486] (hereinafter called the company). Secretarial Audit was conducted in a manner that provides me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **RAJATH FINANCE LIMITED** books, papers, minutes book, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents, and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2019 complied with the statutory provisions listed hereunder and also that the company has proper board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and other returns filed and other records maintained by the **RAJATH FINANCE LIMITED** for the financial year ended on 31<sup>st</sup> March, 2019 according to the provision of:

- i. The Companies Act, 2013 (The Act) and the rules made there under;
- ii. The Securities Contract (Regulation) Act, 1956 (SCRA) and the rules made there under;
- iii. The Depositories Act, 1956 and the Regulations and Bye laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations framed there under to the extent Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI ACT');
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c) The Securities and Exchange Board of India (Issues of Capital and Disclosures Requirements) Regulations, 2009;

- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the company during audit period)**
  - e) The Securities and Exchange Board of India (Issue and Listing o Debt Securities) Regulation, 2008; **(Not applicable to the Company during the audit period)**
  - f) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulation, 1993 regarding the Companies Act and dealing with client; **(Not applicable as company is not registered as a Registrar to an issue and Share Transfer Agent during the audit period)**
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the company during the audit period)** and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulation, 1998; **(Not applicable o the Company during the Audit Period)**
- vi. Reserve Bank of India Act, 1934, Non-Banking Prudential Norms (Reserve Bank) Directions, 1998, Non-Banking Finance Company (Establishment and regulation) Rules, 2003, Non-Banking Financial Companies Acceptance OF public Deposits (Reserve Bank) Directions,1998, Issuance of Non Convertible Debentures (Reserve Bank) Directions, 2010, Consolidated FDI Policy 2013 issued by DIPP, Securitisations Companies and Reconstruction Companies (Reserve Bank) Guideline and Directions, 2003
  - vii. Employee Provident Fund and Miscellaneous provisions Act, 1952;
  - viii. Indian Contract Act, 1872;
  - ix. Income Tax Act, 1961 and indirect Tax laws;
  - x. Indian Stamp Act, 1999;
  - xi. Negotiable Instrument Act, 1881;
  - xii. Goods and Service Tax Act, 2016

I have also examined in general, compliance with the applicable clauses of the following:

- i. Secretarial Standard with respect to Meetings of Board of Directors and Committee (SS-1) and General Meetings (SS-2) ISSUED BY THE Institute of Company Secretaries of India and made effective -01<sup>st</sup> July, 2015 and Revised Secretarial Standard made effective from 01<sup>st</sup> October, 2017
- ii. The Listing Agreement entered into by the Company with BSE Limited as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments there upon.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that the Board of Directors of the company is duly constituted with proper balance of Executive Directors and Independent Directors. The changes in the composition of Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

## **RAJATH FINANCE LIMITED**

It has been observed that during the period under review, the company has not appointed Company Secretary, Chief Financial Officer and Internal Auditor pursuant to provision of the Companies Act, 2013. Further, due to non appointment of Company Secretary, Company is unable to comply with Rules 25A of the Companies (Incorporation) Rules, 2014 and therefore status of Company marked as an "ACTIVE Non-compliant" during the period under review.

Adequate notice is given, in general, to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and system exist for seeking and obtaining information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried out through while the dissenting members' view are captured and recorded as part of the minutes.

**I further report that** there are adequate systems and process in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the audit period, there were no instances of:

- a. Public/Right/Preferential issue of shares/debentures/Sweat equity.
- b. Redemption/Buy back of Securities
- c. Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013
- d. Merger/Amalgamation/Reconstruction etc.
- e. Foreign Technical Collaborations

**Place: Kalol**

**Date: 30/05/2019**

**CS Binal Patel**

Practising Company Secretary

ACS: 55252 CP NO. 20793

**Please note that secretarial audit report to be read with my letter of even date attached as Annexure A to the report and report also forms the integral part of the report.**

**ANNEXURE A**

To,  
The Members,  
**Rajath Finance Limited [CIN: L65910GJ1984PLC007486]**  
**Rajkot.**

**Dear Sir,**

My Secretarial Audit Report of even date for the financial year ended on 31<sup>st</sup> March, 2019 is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit process and practises as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practise, I followed provide a reasonable basis for my opinion.
3. I have relied on the representations made by the company and its officers for systems and mechanisms formed by the company for compliances under other laws and regulations applicable to the company and verification of documents and records procedures on test check basis.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management.
6. The secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**Place:** Kalol

**Date:** 30/05/2019

CS Binal Patel  
Practising Company Secretary  
ACS: 55252 CP NO. 20793

## **RAJATH FINANCE LIMITED**

### **MANAGEMENT DISCUSSION AND ANALYSIS**

#### **"ANNEXURE - IV" TO DIRECTORS' REPORT OF RAJATH FINANCE LIMITED**

##### **INDUSTRY OVERVIEW:**

India's diversified financial sector comprised of commercial Bank, Non-Banking Financial Companies, Co-operative Banks, Pension Funds, Insurance Company, Mutual Funds and others. Rising incomes are driving the demand for financial services. Government has approved new banking licenses and increases the FDI limit in insurance sector. NBFC have been actively fueling the growth of the economy- specially the infrastructure part of the economy and have been supplementing the banking system and thus enhancing the competition and diversification in the financial sector.

##### **ECONOMY OVERVIEW:**

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world over next 10-15 years. India's GDP is estimated to have increased 7.2% in 2017-18 and 7% in 2018-19. India has retained its position as the third largest startup base in the world. With the improvement in the economic scenario, there have been various investments in the various sectors of the economy. The interim union budget for F.Y focuses on the supporting of needy farmers, economically less privileged, workers in the unorganized sector and salaried employee.

##### **SEGMENTS:**

Rajath Finance Limited does not have multiple segments, and hence, comments are not required.

##### **PERFORMANCE:**

During the year under Report the Company has recorded total revenue from operations of Rs. 24,92,848/-. Major part of the revenue of the Company is generated through interest income. During the year under review the Company had incurred Net Loss of Rs. 24,33,020/-. Management of the Company has made total effort to convert its loss into profit, but due to unfavourable market condition of the economy, management of the company had not been succeeded.



**OPPORTUNITIES AND THREATS:**

The NBFC industry holds immense potential and the Government of India's increased focus towards financial inclusion has created various opportunities for existing NBFC to leverage on their established customer base in rural areas. The huge market size undoubtedly presents a huge opportunity too. Over the years, Rajath Finance Limited has understood and hence anchors to the belief that every opportunity is as good as its execution. The most significant threat for any lending activity is to constantly exhibit operational excellence and contain the loss given defaults within the acceptable limits. The Company believes that this task is to be worked upon continuously through a very sharp learning and unlearning in order to achieve operational excellence.

For supporting the growth of NBFCs includes better product lines, wider and effective reach, quick turnaround time, short risk management capability and better understanding of customer segment. The young generation of India is rapidly adopting Technology to interact and to transact with the world. New technology such as cloud and analytics are gaining importance. This all would provide a huge opportunity to nimble and innovative players in the financial sector to use technology to strengthen their business. Technology can be used to reach the customers in a cost-effective manner and better risk control and pricing.

In the financial service industry security of data is of utmost importance. A regular and continuous threat for the firms is data theft malicious malware and email. Technology has not only increased the player, vendors and customers but has also added multiple threats to the business. Cyber threats are getting larger in scale and size.

**INTERNAL CONTROL 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 unauthorized use or disposition and all transactions are authorised, recorded and reported correctly. The System ensures 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.

**RISK MANAGEMENT AND COMPLIANCE:**

A robust Risk management framework and process has been deployed across the Company. The Company ensures compliance of all applicable laws and changes in the law and applicable regulations including Company laws, SEBI Act and regulations, BSE Listing regulations, employment and immigration, taxation, health safety and environment, data privacy, anti-

## **RAJATH FINANCE LIMITED**

bribery and anti-corruption regulations. As in the case of any lending entity, the entire proposition of the Company - providing finance to various segments of the economy is on the fundamentals of managing the risk rather than avoiding it. With tried and tested credit models and robust operational systems in place, the Company successfully manages these risks.

### **CAUTIONARY STATEMENTS :**

All statements made in Management and Discussion Analysis has 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, industry 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 Government regulations, tax laws, other statues and other incidental factors, may affect the final results and performance of the Company.

Date : 30/08/2019

Place : Rajkot

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

**(HITESH BAGDAI)**  
**MANAGING DIRECTOR**  
**(DIN: 00575732)**

**(BHAVDEEP VALA)**  
**DIRECTOR**  
**(DIN: 00153775)**

**CERTIFICATE OF NON APPLICABILITY OF CORPORATE GOVERNANCE REQUIREMENTS**

I, **CA ParagBhuptani**, Partner of **M/s. S A D P & Co., Chartered Accountants**, Rajkot, do hereby certify that pursuant to provisions of Regulation 15(2)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (Regulations), and on the basis of latest Audited Accounts of Financial Year 2016-17 of **M/s. Rajath Finance Ltd.** ("the Company"), as on 31<sup>st</sup> March, 2017, paid up share capital of company was Rs. 4,00,00,000/- which is below Rs. 10 Crores and net worth of the Company as on 31<sup>st</sup> March, 2017 was Rs. 7,34,10,405/- which is below Rs. 25 Crores and accordingly the provisions relating to Corporate Governance under Regulations are not applicable to the Company.

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

**Chartered Accountants  
(FRN: 112625W)**

**( P G Bhuptani)**

**Partner**

**Membership no. :122330**

Place: Rajkot

Date: 30/05/2019

# RAJATH FINANCE LIMITED

## *Independent Auditor's Report*

To the Members of **M/S RAJATH FINANCE LTD.**

### Opinion

We have audited the financial statements of M/S RAJATH FINANCE LTD. ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, its profit/loss and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part

of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and 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 it appears from our examination of those books.

## RAJATH FINANCE LIMITED

- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For S A D P AND CO**  
**Chartered Accountants**  
**FRN: 112625W**

**Place:-Rajkot**  
**Date: 30/05/2019**

**PARAG GUNVANTRAI BHUPTANI**  
**(PARTNER)**  
**Membership No. 122330**

**Annexure 'A'****The Annexure referred to in paragraph 1 of Our Report on "Other Legal and Regulatory Requirements".**

We report that:

- i.
  - a. The company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
  - b. As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
  - c. The title deeds of immovable properties are held in the name of the company.
- ii. As explained to us, inventories have been physically verified during the year by the management at reasonable intervals. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
- iii. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii (a), (b) and (c) of the order are not applicable to the Company.
- iv. In respect of loans, investments, guarantees, and security, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- v. The company has not accepted any deposits from the public covered under sections 73 to 76 of the Companies Act, 2013.
- vi. As per information & explanation given by the management, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- vii.
  - a. According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, value added tax, cess and any other statutory dues to the extent applicable, have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2019 for a period of more than six months from the date they became payable.
  - b. According to the information and explanations given to us, there is no amount payable in respect of income tax, service tax, sales tax, customs duty, excise duty, value added tax and cess whichever applicable, which have not been deposited on account of any disputes.
- viii. In our opinion and according to the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank, Government or debenture holders, as applicable to the company.
- ix. Based on our audit procedures and according to the information given by the management, the money raised by way of initial public offer or further public offer (including debt instruments) and term loans have been applied for the purpose for which they were obtained.
- x. According to the information and explanations given to us, we report that no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us, we report that managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

## **RAJATH FINANCE LIMITED**

- xii. The company is not a Nidhi Company. Therefore, clause (xii) of the order is not applicable to the company.
- xiii. According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.
- xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv. The company has not entered into non-cash transactions with directors or persons connected with him.
- xvi. The company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and the registration has been obtained.

**For S A D P AND CO**  
**Chartered Accountants**  
**FRN: 112625W**

**Place:-Rajkot**  
**Date: 30/05/2019**

**PARAG GUNVANTRAI BHUPTANI**  
**(PARTNER)**  
**Membership No. 122330**



**Annexure 'B'*****Report on Internal Financial Controls with reference to financial statements***Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of M/S RAJATH FINANCE LTD. ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and

## RAJATH FINANCE LIMITED

expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For S A D P AND CO**  
**Chartered Accountants**  
**FRN: 112625W**

**Place:-Rajkot**  
**Date: 30/05/2019**

**PARAG GUNVANTRAI BHUPTANI**  
**(PARTNER)**  
**Membership No. 122330**

## 34th ANNUAL REPORT

Balance Sheet as at 31st March 2019		₹ in rupees	
Particulars	Note No.	As at 31st March 2019	As at 31st March 2018
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's funds</b>			
Share capital	2	4,00,00,000	4,00,00,000
Reserves and surplus	3	2,74,63,998	2,98,97,018
Money received against share warrants		Nil	Nil
		<b>6,74,63,998</b>	<b>6,98,97,018</b>
<b>Share application money pending allotment</b>		<b>Nil</b>	<b>Nil</b>
<b>Non-current liabilities</b>			
Long-term borrowings		Nil	Nil
Deferred tax liabilities (Net)	4	Nil	Nil
Other long term liabilities		Nil	Nil
Long-term provisions	5	69,16,444	54,46,021
		<b>69,16,444</b>	<b>54,46,021</b>
<b>Current liabilities</b>			
Short-term borrowings		Nil	Nil
Trade payables	6		
(A) Micro enterprises and small enterprises		Nil	Nil
(B) Others		26,29,878	17,45,460
Other current liabilities	7	1,010	5,879
Short-term provisions	5	31,188	96,005
		<b>26,62,076</b>	<b>18,47,344</b>
<b>TOTAL</b>		<b>7,70,42,518</b>	<b>7,71,90,383</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	8		
Tangible assets		28,51,721	30,38,363
Intangible assets		Nil	Nil
Capital work-in-Progress		Nil	Nil
Intangible assets under development		Nil	Nil
Non-current investments	9	1,500	3,10,763
Deferred tax assets (net)	4	15,09,247	9,18,208
Long-term loans and advances	10	3,54,665	4,68,361
Other non-current assets		Nil	Nil
		<b>47,17,133</b>	<b>47,35,695</b>
<b>Current assets</b>			
Current investments		Nil	Nil
Inventories	11	2,09,430	2,09,430
Trade receivables		Nil	Nil
Cash and cash equivalents	12	20,95,781	12,61,116
Short-term loans and advances	10	7,00,20,174	7,09,84,142
Other current assets		Nil	Nil
		<b>7,23,25,385</b>	<b>7,24,54,688</b>
<b>TOTAL</b>		<b>7,70,42,518</b>	<b>7,71,90,383</b>

The accompanying notes are an integral part of the financial statements.  
As per our report of even date  
For S A D P AND CO  
Chartered Accountants  
(FRN: 112625W)

For and on behalf of the Board of Directors

**PARAG GUNVANTRAI**  
**BHUPTANI**  
**PARTNER**  
Membership No.: 122330  
Place: Rajkot  
Date: 30/05/2019

**Bhavdeep Vala**  
Director  
DIN: 00153775

**Hitesh Bagdai**  
Managing Director  
DIN: 00575732

# RAJATH FINANCE LIMITED

## Statement of Profit and loss for the year ended 31st March 2019

₹ in rupees

Particulars	Note No.	31st March 2019	31st March 2018
<b>Revenue</b>			
Revenue from operations	13	24,92,848	25,73,335
Less: Excise duty		Nil	Nil
<b>Net Sales</b>		<b>24,92,848</b>	<b>25,73,335</b>
Other income	14	20,082	13,496
<b>Total revenue</b>		<b>25,12,930</b>	<b>25,86,831</b>
<b>Expenses</b>			
Changes in inventories	15	Nil	Nil
Employee benefit expenses	16	8,18,568	4,05,115
Finance costs		Nil	Nil
Depreciation and amortization expenses	17	3,19,687	1,26,616
Other expenses	18	42,84,334	68,36,201
<b>Total expenses</b>		<b>54,22,589</b>	<b>73,67,932</b>
<b>Profit before exceptional, extraordinary and prior period items and tax</b>		<b>(29,09,659)</b>	<b>(47,81,101)</b>
Exceptional items		Nil	Nil
<b>Profit before extraordinary and prior period items and tax</b>		<b>(29,09,659)</b>	<b>(47,81,101)</b>
Extraordinary items		Nil	Nil
Prior period item		Nil	Nil
<b>Profit before tax</b>		<b>(29,09,659)</b>	<b>(47,81,101)</b>
<b>Tax expenses</b>			
Current tax		Nil	Nil
Deferred tax		(5,91,039)	(12,67,714)
Excess/short provision relating earlier year tax	19	1,14,400	Nil
<b>Profit(Loss) for the period</b>		<b>(24,33,020)</b>	<b>(35,13,387)</b>
<b>Earning per share</b>			
<b>Basic</b>	<b>20</b>		
Before extraordinary Items		(0.61)	(0.88)
After extraordinary Adjustment		(0.61)	(0.88)
<b>Diluted</b>			
Before extraordinary Items		Nil	Nil
After extraordinary Adjustment		Nil	Nil

The accompanying notes are an integral part of the financial statements.

**For S A D P AND CO**

**Chartered Accountants**

**(FRN: 112625W)**

**For and on behalf of the Board of Directors**

**PARAG GUNVANTRAI BHUPTANI**

**PARTNER**

**Membership No.: 122330**

**Place: Rajkot**

**Date: 30/05/2019**

**BhavdeepVala**

**Director**

**DIN: 00153775**

**Hitesh Bagdai**

**Managing Director**

**DIN: 00575732**

## 34th ANNUAL REPORT

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March 2019

₹ in rupees

PARTICULARS	31st March 2019	31st March 2018
<b>A. Cash Flow From Operating Activities</b>		
Net Profit before tax and extraordinary items(as per Statement of Profit and Loss)	(29,09,659)	(47,81,101)
<b>Adjustments for non Cash/ Non trade items:</b>		
Depreciation & Amortization Expenses	3,19,687	1,26,616
Dividend income	(20,082)	(13,496)
Other Inflows / (Outflows) of cash	14,70,423	47,65,317
<b>Operating profits before Working Capital Changes</b>	<b>(11,39,631)</b>	<b>97,336</b>
<b>Adjusted For:</b>		
Increase / (Decrease) in trade payables	8,84,418	8,28,714
Increase / (Decrease) in other current liabilities	(69,686)	17,667
(Increase) / Decrease in Short Term Loans & Advances	11,50,973	(4,92,975)
<b>Cash generated from Operations</b>	<b>8,26,074</b>	<b>4,50,742</b>
Income Tax (Paid) / Refund	(1,87,709)	(75,680)
<b>Net Cash flow from Operating Activities(A)</b>	<b>6,38,365</b>	<b>3,75,062</b>
<b>B. Cash Flow From Investing Activities</b>		
Purchase of tangible assets	(1,33,045)	(6,89,750)
Non Current Investments / (Purchased) sold	3,09,263	Nil
Dividends received	20,082	13,496
<b>Net Cash used in Investing Activities(B)</b>	<b>1,96,300</b>	<b>(6,76,254)</b>
<b>C. Cash Flow From Financing Activities</b>		
<b>D. Net Increase / (Decrease) in Cash &amp; Cash Equivalents(A+B+C)</b>	<b>8,34,665</b>	<b>(3,01,192)</b>
E. Cash & Cash Equivalents at Beginning of period	12,61,116	15,62,308
F. Cash & Cash Equivalents at End of period	20,95,781	12,61,116
<b>G. Net Increase / (Decrease) in Cash &amp; Cash Equivalents(F-E)</b>	<b>8,34,665</b>	<b>(3,01,192)</b>

The accompanying notes are an integral part of the financial statements.

**For S A D P AND CO**  
Chartered Accountants  
(FRN: 112625W)

For and on behalf of the Board of  
Directors

**PARAG GUNVANTRAI BHUPTANI**  
PARTNER  
Membership No.:122330  
Place: Rajkot  
Date: 30/05/2019

**BhavdeepVala**  
Director  
DIN: 00153775

**Hitesh Bagdai**  
Managing Director  
DIN: 00575732

**Note:**

1. The Cash Flow Statement has been prepared by Indirect Method as per AS-3 issued by ICAI.
2. Figures of previous year have been rearranged/regrouped wherever necessary
3. Figures in brackets are outflow/deductions

# RAJATH FINANCE LIMITED

## Notes to Financial statements for the year ended 31st March 2019

### 1. General Information

The company is a registered non banking finance company engaged in the business of providing finance. The company is registered with the Reserve Bank of India as a Non Banking Finance Company (NBFC).

### 2. Statement of significant accounting policies

#### Basis of Preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known/materialized. All assets and liabilities have been classified as current or non current as per the criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of the products and services and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non current classification of its assets and liabilities.

#### System of Accounting

- i. The financial statements have prepared under historical cost convention on an accrual basis and comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act 1956.
- ii. The company follows the mercantile system of accounting and recognizes income and expenditure on an accrual basis except in case of significant uncertainties.
- iii. The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known/materialized.

#### Revenue Recognition

##### a. Income on Loan Transactions

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable, except that no income is recognized on non performing assets as per the prudential norms for income recognition issued by RBI for NBFCs. Interest income on such assets are recognized on receipt basis.

##### b. Investment

Dividend is accrued when the right to receive is established i.e. when declared by the investee company.

##### c. Other Income

Other income is mainly accounted on accrual basis, except in case of significant uncertainties.

#### Fixed Assets and Depreciation

Fixed Assets are stated at historical cost less accumulated depreciation thereon. Depreciation has been provided as per straight line method and as per its useful life prescribed under Schedule II of the Companies Act, 2013.

#### Investments

All investments are for long term holding and are valued at cost.

#### Inventories

Inventories are stated at cost.

#### Income From

##### iv. Financing Activity

Interest income is recognized as income on accrual basis with reference to the terms of contractual commitments.

##### v. Investment

Dividend is accrued when the right to receive is established i.e. when declared by the investee company.

##### vi. Other Income

Other income is mainly accounted on accrual basis, except in case of significant uncertainties.

#### Receivable under financing activity

- (i) Receivables under financing activity represent principal and accrued interest outstanding at the close of the year but net of amount written off.
- (ii) The company assesses all receivables for their recoverability and accordingly makes provisions for non-performing assets and delinquent assets not yet NPA as considered necessary including by accelerating provision to an early stage based on past experience, emerging trends and estimates. However, the

Company ensures that the said provisions are not lower than the provisions stipulated in the applicable Reserve Bank of India (RBI) Regulations/Guidelines.

- (iii) A General provision as required by RBI Regulations, is also made by the Company on the standard assets outstanding which is disclosed under 'long term provisions' in the financial statements.

**Taxation**

Provision for taxation comprises of Current Tax, and Deferred Tax. Current Tax provision has been made on the basis of reliefs and deductions available under the Income Tax Act, 1961. Deferred Tax is recognized for all the

**Impairment of Assets**

At each Balance Sheet date, the Company reviews, whether there is any indication of impairment of an asset. If any such condition exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any). Recoverable amount of the asset is the higher of an asset's net selling price and value in use. In assessing the value in use, the estimated future cash flow expected from continuing use of the asset and from its disposal is discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risk specific to the asset. If the recoverable amount of an asset is estimated to be less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

**Note No. 2 Share Capital**

₹ in rupees

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Authorised :</b>		
7500000 (31/03/2018:7500000) Equity shares of Rs. 10.00/- par value	7,50,00,000	7,50,00,000
<b>Issued :</b>		
4000000 (31/03/2018:4000000) Equity shares of Rs. 10.00/- par value	4,00,00,000	4,00,00,000
<b>Subscribed and paid-up :</b>		
4000000 (31/03/2018:4000000) Equity shares of Rs. 10.00/- par value	4,00,00,000	4,00,00,000
<b>Total</b>	<b>4,00,00,000</b>	<b>4,00,00,000</b>

**Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period**

**Equity shares**

₹ in rupees

	As at 31st March 2019		As at 31st March 2018	
	No. of Shares	Amount	No. of Shares	Amount
<b>At the beginning of the period</b>	40,00,000	4,00,00,000	40,00,000	4,00,00,000
Issued during the Period	Nil	Nil	Nil	Nil
Redeemed or bought back during the period	Nil	Nil	Nil	Nil
<b>Outstanding at end of the period</b>	<b>40,00,000</b>	<b>4,00,00,000</b>	<b>40,00,000</b>	<b>4,00,00,000</b>

**Right, Preferences and Restriction attached to shares**

**Equity shares**

The company has only one class of Equity having a par value Rs. 10.00 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the board of directors is subject to the approval of the shareholders in ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the Equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding

**Details of shareholders holding more than 5% shares in the company**

Type of Share	Name of Shareholders	As at 31st March 2019		As at 31st March 2018	
	Name of Shareholders	No. of Shares	% of Holding	No. of Shares	% of Holding
Equity [NV: 10.00 ]	Hitesh Bagdai	8,96,853	22.42	8,96,853	22.42
Equity [NV: 10.00 ]	Poonam Bagdai	8,96,851	22.42	8,96,851	22.42
Equity [NV: 10.00 ]	Bhavdeep Vala	9,96,851	24.92	9,96,851	24.92

## RAJATH FINANCE LIMITED

Equity [NV: 10.00 ]	K A Investments Consultancy LLP	Nil	Nil	Nil	Nil
Equity [NV: 10.00 ]	Samco Securities Limited	8,26,012	20.65	8,26,012	20.65
<b>Total :</b>		<b>36,16,567</b>	<b>90.41</b>	<b>36,16,567</b>	<b>90.41</b>

### Note No. 3 Reserves and surplus

₹ in rupees

Particulars	As at 31st March 2019	As at 31st March 2018
<b>General reserve</b>		
Opening Balance	24,32,879	24,32,879
Add: Addition during the year	Nil	Nil
Less : Deletion during the year	Nil	Nil
<b>Closing Balance</b>	<b>24,32,879</b>	<b>24,32,879</b>
<b>Special reserve</b>		
Opening Balance	50,16,603	50,16,603
Add: Addition during the year	Nil	Nil
Less : Deletion during the year	Nil	Nil
<b>Closing Balance</b>	<b>50,16,603</b>	<b>50,16,603</b>
<b>Surplus</b>		
Opening Balance	(76,08,964)	(40,95,577)
Add: Addition during the year	Nil	Nil
Less:Loss for the year	(24,33,020)	(35,13,387)
<b>Closing Balance</b>	<b>(1,00,41,984)</b>	<b>(76,08,964)</b>
<b>Capital reserve</b>		
Opening Balance	3,00,56,500	3,00,56,500
Add: Addition during the year	Nil	Nil
Less : Deletion during the year	Nil	Nil
<b>Closing Balance</b>	<b>3,00,56,500</b>	<b>3,00,56,500</b>
<b>Balance carried to balance sheet</b>	<b>2,74,63,998</b>	<b>2,98,97,018</b>

### Note No. 4 Deferred Tax

₹ in rupees

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Deferred tax liability</b>		
Deferred tax liability depreciation	5,40,758	5,37,893
<b>Gross deferred tax liability</b>	<b>5,40,758</b>	<b>5,37,893</b>
<b>Deferred tax assets</b>		
Deferred tax asset on npa provision	17,98,275	14,02,350
Deferred tax asset on loss	2,51,730	53,751
<b>Gross deferred tax asset</b>	<b>20,50,005</b>	<b>14,56,101</b>
<b>Net deferred tax assets</b>	<b>15,09,247</b>	<b>9,18,208</b>
<b>Net deferred tax liability</b>	<b>Nil</b>	<b>Nil</b>



## 34th ANNUAL REPORT

<b>Note No. 5 Provisions</b>				₹ in rupees		
Particulars	As at 31st March 2019			As at 31st March 2018		
	Long-term	Long-term	Long-term	Long-term	Short-term	Total
<b>Provision for employee benefit</b>						
Provision for leave encashment	Nil	5,088	5,088	Nil	14,965	14,965
Provsion for Bonus	Nil	16,100	16,100	Nil	33,840	33,840
	<b>Nil</b>	<b>21,188</b>	<b>21,188</b>	<b>Nil</b>	<b>48,805</b>	<b>48,805</b>
<b>Other provisions</b>						
Provision Against Standard Assets	1,16,444	Nil	1,16,444	1,46,021	Nil	1,46,021
Provsion for Non Performing Assets	68,00,000	Nil	68,00,000	53,00,000	Nil	53,00,000
Audit Fee Provisions	Nil	10,000	10,000	Nil	47,200	47,200
Provision for Expenses	<b>69,16,444</b>	<b>10,000</b>	<b>69,26,444</b>	<b>54,46,021</b>	<b>47,200</b>	<b>54,93,221</b>
<b>Total</b>	<b>69,16,444</b>	<b>31,188</b>	<b>69,47,632</b>	<b>54,46,021</b>	<b>96,005</b>	<b>55,42,026</b>

### Note No. 6 Trade payables

₹ in rupees

Particulars	As at 31st March 2019	As at 31st March 2018
<b>(B) Others</b>		
Creditors for expenses	26,29,878	17,45,460
	<b>26,29,878</b>	<b>17,45,460</b>
<b>Total</b>	<b>26,29,878</b>	<b>17,45,460</b>

### Note No. 7 Other current liabilities

₹ in rupees

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Others payables</b>		
Professional tax payable	160	1,279
Tds payable	850	4,600
	<b>1,010</b>	<b>5,879</b>
<b>Total</b>	<b>1,010</b>	<b>5,879</b>

# RAJATH FINANCE LIMITED

Note No. 8 Fixed Assets Chart as at 31st March 2019							₹ in rupees						
Assets	Useful Life (In Years)	Gross Block					Accumulated Depreciation/ Amortisation				Net Block		
		Balance as at 1st April 2018	Additions during the year	Addition on account of business acquisition	Deletion during the year	Balance as at 31st March 2019	Balance as at 1st April 2018	Provided during the year	Deletion / adjustments during the year	Balance as at 31st March 2019	Balance as at 31st March 2019	Balance as at 31st March 2018	
<b>A</b>	<b>Tangible assets</b>												
	<b>Own Assets</b>												
	Premises	60.00	34,94,613	Nil	Nil	Nil	34,94,613	10,90,819	58,602	Nil	11,49,421	23,45,192	24,03,794
	Office Equipments	5.00	1,78,644	Nil	Nil	Nil	1,78,644	1,74,091	1,440	Nil	1,75,531	3,113	4,553
	Air Conditioners	5.00	39,131	Nil	Nil	Nil	39,131	39,131	Nil	Nil	39,131	Nil	Nil
	Furniture and Fixtures	10.00	21,73,163	15,045	Nil	Nil	21,88,208	21,73,163	1,089	Nil	21,74,252	13,956	Nil
	Computers	3.00	15,30,156	1,18,000	Nil	Nil	16,48,156	9,00,140	2,58,556	Nil	11,58,696	4,89,460	6,30,016
	<b>Total (A)</b>		<b>74,15,707</b>	<b>1,33,045</b>	<b>Nil</b>	<b>Nil</b>	<b>75,48,752</b>	<b>43,77,344</b>	<b>3,19,687</b>	<b>Nil</b>	<b>46,97,031</b>	<b>28,51,721</b>	<b>30,38,363</b>
	<b>P.Y Total</b>		<b>67,25,957</b>	<b>6,89,750</b>	<b>Nil</b>	<b>Nil</b>	<b>74,15,707</b>	<b>42,50,728</b>	<b>1,26,616</b>	<b>Nil</b>	<b>43,77,344</b>	<b>30,38,363</b>	<b>24,75,229</b>

## General Notes :

- No depreciation if remaining useful life is negative or zero.
- Depreciation is calculated on pro-rata basis in case assets is purchased/sold during current F.Y.
- If above assets is used for any time during the year for double shift, the depreciation will increase by 50% for that period and in case of the triple shift the depreciation shall be calculated on the basis of 100% for that period.

## 34th ANNUAL REPORT

<b>Note No. 9 Non-current investments</b>		₹ in rupees	
Particulars	As at 31st March 2019		As at 31st March 2018
<b>Trade Investment(Valued at cost unless stated otherwise)</b>			
<b>Investments in equity Instruments (Quoted)</b>			
<b>In Others</b>			
Equity securities long-term quoted trade (At Cost)	Nil		3,09,263
	<b>Nil</b>		<b>3,09,263</b>
<b>Non-Trade Investment(Valued at cost unless stated otherwise)</b>			
<b>Investments in equity Instruments (Unquoted)</b>			
<b>In Others</b>			
Equity securities long-term unquoted non-trade (At cost)	1,500		1,500
	<b>1,500</b>		<b>1,500</b>
<b>Gross Investment</b>	<b>1,500</b>		<b>3,10,763</b>
<b>Net Investment</b>	<b>1,500</b>		<b>3,10,763</b>
<b>Aggregate amount of quoted investments (Market Value:Nil) (2018:23,98,502)</b>			<b>309263.00</b>
<b>Aggregate amount of unquoted investments</b>	<b>1,500</b>		<b>1,500</b>

The Company had purchased 23,300 Nos. of UTI Master Gain. The same was misappropriated in transit. The Company had filed suit before the Hon'ble Civil Court, Rajkot. The same was disposed in favor of the Company and an execution application has also been filed, which is pending for disposal before the Hon'ble Civil Court, Rajkot.

### Note No. 10 Loans and advances

₹ in rupees

Particulars	As at 31st March 2019		As at 31st March 2018	
	Long-term	Short-term	Long-term	Short-term
<b>Security Deposit</b>				
Unsecured, considered good	2,69,619	Nil	2,69,619	Nil
	<b>2,69,619</b>	<b>Nil</b>	<b>2,69,619</b>	<b>Nil</b>
<b>Other loans and advances</b>				
Amount Receivable from Income Tax Departments	85,046	2,62,685	1,98,742	75,680
Receivable under financing activities	Nil	6,97,57,489	Nil	7,09,08,462
	<b>85,046</b>	<b>7,00,20,174</b>	<b>1,98,742</b>	<b>7,09,84,142</b>
<b>Total</b>	<b>3,54,665</b>	<b>7,00,20,174</b>	<b>4,68,361</b>	<b>7,09,84,142</b>

### Note No. 11 Inventories

₹ in rupees

Particulars	As at 31st March 2019	As at 31st March 2018
<b>(Valued at cost or NRV unless otherwise stated)</b>		
Traded goods(Basis of valuation:At cost)	2,09,430	2,09,430
<b>Total</b>	<b>2,09,430</b>	<b>2,09,430</b>

### Note No. 12 Cash and cash equivalents

₹ in rupees

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Balance with banks</b>		
Balance scheduled banks current account	16,05,942	7,15,163
<b>Total</b>	<b>16,05,942</b>	<b>7,15,163</b>
<b>Cash in hand</b>		
Cash in hand	4,89,839	5,45,953
<b>Total</b>	<b>4,89,839</b>	<b>5,45,953</b>
<b>Total</b>	<b>20,95,781</b>	<b>12,61,116</b>

## RAJATH FINANCE LIMITED

<b>Note No. 13 Revenue from operations</b>		<b>₹ in rupees</b>	
<b>9</b>	<b>31st March 2019</b>	<b>31st March 2018</b>	
<b>Interest Income</b>			
Interest income	30,88,096	34,59,274	
Interest reversal on npa	(5,95,248)	(8,85,939)	
	<b>24,92,848</b>	<b>25,73,335</b>	
<b>Net revenue from operations</b>	<b>24,92,848</b>	<b>25,73,335</b>	

<b>Note No. 14 Other income</b>		<b>₹ in rupees</b>	
<b>Particulars</b>	<b>31st March 2019</b>	<b>31st March 2018</b>	
<b>Dividend Income</b>	20,082	13,496	
<b>Total</b>	<b>20,082</b>	<b>13,496</b>	

<b>Note No. 15 Changes in inventories</b>		<b>₹ in rupees</b>	
<b>Particulars</b>	<b>31st March 2019</b>	<b>31st March 2018</b>	
<b>Inventory at the end of the year</b>			
Finished Goods	2,09,430	2,09,430	
	<b>2,09,430</b>	<b>2,09,430</b>	
<b>Inventory at the beginning of the year</b>			
Finished Goods	2,09,430	2,09,430	
	<b>2,09,430</b>	<b>2,09,430</b>	

<b>Note No. 16 Employee benefit expenses</b>		<b>₹ in rupees</b>	
<b>Particulars</b>	<b>31st March 2019</b>	<b>31st March 2018</b>	
<b>Salaries and Wages</b>	7,30,368	3,68,825	
<b>Staff welfare Expenses</b>			
Bonus to employees	18,200	36,290	
Incentive	70,000	Nil	
	<b>88,200</b>	<b>36,290</b>	

<b>Note No. 17 Depreciation and amortization expenses</b>		<b>₹ in rupees</b>	
<b>Particulars</b>	<b>31st March 2019</b>	<b>31st March 2018</b>	
Depreciation on tangible assets	3,19,687	1,26,616	
<b>Total</b>	<b>3,19,687</b>	<b>1,26,616</b>	

<b>Note No. 18 Other expenses</b>		<b>₹ in rupees</b>	
<b>Particulars</b>	<b>31st March 2019</b>	<b>31st March 2018</b>	
Advertising expenses	51,653	43,828	
Annual custodial fee	10,629	27,600	
Audit fees	10,000	47,200	
Bank charges	3	12	
Repairs and maintenance expenses	1,42,338	18,300	
Travelling Expenses	6,41,509	1,91,859	
D-mat charges	1,236	1,902	
Donations	5,15,000	15,200	
Electricity expenses	30,857	53,171	
Interest on late payment of taxes	603	164	
Information technology expenses	4,100	6,386	
Legal and professional expenses	1,32,033	2,00,520	
Listing fee	2,95,000	2,87,500	
Office exp.	18,253	14,096	
Periodicals and newspapers	1,786	1,610	
Telephone and postage expenses	8,721	10,837	
Printing and stationery	42,085	30,075	

## 34th ANNUAL REPORT

Provision against npa	15,00,000	48,50,000
Bad debts expense	Nil	1,78,704
Director's remuneration	Nil	4,52,400
Provision against standard assets	(29,577)	(84,683)
Postage expenses	18,605	8,718
Car hire charges	4,80,000	4,80,000
Misc exp.	1,213	802
Rates and taxes	99,024	Nil
Impairment of investment	3,09,263	Nil
<b>Total</b>	<b>42,84,334</b>	<b>68,36,201</b>

**Note No. 19 Excess/short provision relating earlier year tax** ₹ in rupees

Particulars	31st March 2019	31st March 2018
Current tax pertaining to previous years	1,14,400	Nil
<b>Total</b>	<b>1,14,400</b>	<b>Nil</b>

**Note No. 22 Earning Per Share** ₹ in rupees

Particulars	Before Extraordinary items		After Extraordinary items	
	31st March 2019	31st March 2018	31st March 2019	31st March 2018
<b>Basic</b>				
Profit after tax (A)	(24,33,020)	(35,13,387)	(24,33,020)	(35,13,387)
Weighted average number of shares outstanding (B)	40,00,000	40,00,000	40,00,000	40,00,000
Basic EPS (A / B)	(0.61)	(0.88)	(0.61)	(0.88)
Face value per share	10	10	10	10

**Notes on Accounts**

1. Sundry Creditors, Loans & Advances have been taken at their book value subject to confirmation and reconciliation.

2. Payments to Auditors:-

Auditors Remuneration	2018-19	2017-18
Audit Fees	40,000	40,000
Tax Audit Fees	Nil	Nil
Company Law Matters	Nil	Nil
Service Tax	Nil	Nil
GST	7,200	7,200
<b>Total</b>	<b>47,200</b>	<b>47,200</b>

3. Loans and Advances are considered good in respect of which company does not hold any security other than the personal guarantee of persons.

# RAJATH FINANCE LIMITED

## 4. Related Party disclosure

### (A) Related Parties and their Relationship

#### (I) Key Management Personnel

Hitesh M Bagdai  
Poonam H Bagdai  
Bhavdeep V Vala  
Kantilal K Khakhar  
Ketan G Dhulesiya  
Janish N Ajmera

Transactions with Related party

(Figure in Lac)

Particulars	Key Management Personnel
Car Hire Charges	4.80
Remuneration	4.52

*For S A D P AND CO*  
*Chartered Accountants*

*For M/S RAJATH FINANCE LTD.*

*(PARAG GUNVANTRAI BHUPTANI)*

*PARTNER*  
*Membership No. 122330*  
*Registration No. 112625W*

**Hitesh Bagdai**

**Bhavdeep Vala**

**Director**

**Director**

*Place:- Rajkot*

**DIN : 00575732**

**DIN : 00153775**

*Date: - 30/05/2019*

**Schedule of the Balance sheet of a non-deposit taking non-banking financial company for the year ended 31st March, 2019**

(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>
	Debentures		
(a)	: 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			

Asset side :		Amount outstanding
(2)	<b>Break up of loans and advances including bills receivables (Other than those included in (4) below):</b>	
	(a) Secured	Nil
	(b) Unsecured	697.57
(3)	<b>Breakup of Leased Assets and stock on hire and other assets counting towards AFC activities</b>	
	(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
	(iii) Other loans counting towards AFC activities	
	(a) Loans where assets have been repossessed	Nil
	(b) Loans other than (a) above	Nil





(6)	<b>Investor group wise classification 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	0	0
	(b) Companies in the same group	Nil	Nil
	© Other related parties	Nil	Nil
	2.Other than related parties	Not Available.	0.02
	<b>Total</b>	<b>0.00</b>	<b>0.02</b>

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

#### (7) Other information

	Particulars	Amount
(i)	Gross Non performing assets	
		231.8
	(a) Related parties	Nil
	(b) Other than related parties	231.8
(ii)	Net non performing assets	
		163.8
	(a) Related parties	Nil
	(b) Other than related parties	163.8
(iii)	Assets acquired in satisfaction of debt	Nil

## RAJATH FINANCE LIMITED

Notes :

1 "As defined in paragraph 2(1)(xii) of the Non Banking Financial Companies Acceptance of Public Deposits

(Reserve Bank) Directions, 1998."

2 Provisions norms shall be applicable as prescribed in non bankng 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 or current in (4) above.

For S A D P & Co.

Firm Reg. No. 112625W

Chartered Accountants

P.G. Bhuptani

(Partner)

M.No.: 122330

Place: Rajkot

Date : 30/05/2019

**ATTENDANCE SLIP**

Regd. Folio	
Name and Address of the Shareholders	

1. I hereby record my /our presence at the **ANNUAL GENERAL MEETING** of the Company being held on **Friday, 30th September, 2019 at 11:00 A.M.** at the Registered Office of the Company situated at **208-215, Star Plaza, Phulchhab Chowk, Rajkot-360001,**

4. Signature of the shareholders/ Proxy Present

3.

5. Shareholder/ Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and handover at the entrance duly signed.
6. Shareholder/Proxy holder desiring to attend the meeting may bring his /her copy of the Notice of the EGM for reference at the meeting.
7. **Note:** Please fill in this attendance slip and hand it over to **ENTRANCE OF THE MEETING HALL**

# RAJATH FINANCE LIMITED

Form No. MGT-11

## Proxy Form

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN:L65910GJ1984PLC007486

**Name of the Company:** Rajath Finance Limited

**Registered Office:**208-2015, Star Plaza, Phulchhab Chowk, Rajkot-360001, Gujarat

Name	
Registered Address & E-mail Id	
Foloo No./Client Id	
Dp/ID	

I/We, being the member (s) .....Shares of the above named company, hereby appoint

1. Name:Address:

E-mail Id:Signature: Or failing him

2. Name: Address:

E-mail Id:Signature: Or failing him

3. Name: Address:

E-mail Id:Signature: Or failing him

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting/Extra Ordinary General Meeting of the company to be held on the 27<sup>th</sup> day of September, 2019 at 11:00 A.M. at the registered office of the Company situated at 208-2015, Star Plaza, Phulchhab Chowk, Rajkot-360001and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. To receive, consider and adopt audited financial statement of the company
2. To appoint a director in place of Mr. Hitesh M. Bagdai, who retire by rotation and being eligible, offers himself for re-appointment
3. To appoint an auditor of the Company and fix their Remuneration
4. Re-appointment of Mr. Hitesh M. Bagdai as a Managing Director

Signed \_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_

Signature of shareholder

Signature of Proxy holder(s)

**Note: This form of proxy in order to be effective should be duly completed and deposited at the registered office of the company, not less than 48 hours before the commencement of the meeting.**

Affix  
Revenue  
Stamp