RAJATH FINANCE LIMITED

Statutory Audit Report
(F.Y. 2023-24)

Auditor:
A.D. Vyas & Co.
Chartered Accounts
Navin Complex, Kotecha Nagar Main Road,
Opp. Kotecha Girls High School,
Rajkot - 360001

A. D. Vyas & Co.
Chartered Accountants

1st Floor, Navin Complex, Kalawad Road,
Kotecha Nagar Main Rad., Rajkot
ashavyas47250@gmail.com

Independent Auditor's Report

To the Members of **M/S RAJATH FINANCE LIMITED**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the financial statements of M/S RAJATH FINANCE LIMITED ("the Company"), which comprise the balance sheet as at 31st March 2024, 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, 2024, 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

A. D. VYAS & Co. RAJKOT Chartered Accountant

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone 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.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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.

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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.

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 and rules made thereunder.

e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 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 matter to be included in the Auditor's Report under section 197(16), In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us. (applicable in case of Public Company)

h) 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.

iv. (a) The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of

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the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.

v. No dividend have been declared or paid during the year by the company.

vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

For A. D. Vyas & Co.
Chartered Accountants
FRN: 113588W

A.D. VYAS & CO. RAJKOT Chartered Accountant

ASHA VYAS
(PARTNER)
Membership No. 47250

Place:-Rajkot
Date: 21/06/2024
UDIN:
24047250BKCRJD5262

Annexure 'A'

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

We report that:

(i) (a) (A) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;

(B) The company has maintained proper records showing full particulars of intangible assets;

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Property, Plant and Equipment have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification;

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statementsare held in the name of the company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year. Accordingly, the reporting under Clause 3(i)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) (a) As company is not holding any physical inventory, hence Not Applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not been sanctioned during any point of time of the year, working



capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not made investments in, nor provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, provisions of clause 3(iii)(a), 3(iii)(b), 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order are not applicable to the Company.

(iv) The company has not accepted any deposits or amounts which are deemed to be deposits covered under sections 73 to 76 of the Companies Act, 2013. Accordingly, clause 3(v) of the Order is not applicable.

(v) 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.

(vi) (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. According to the information and explanation given to us there were no outstanding statutory dues as on 31st of March, 2024 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the company, there is no statutory dues referred to in sub-clause (a) that have not been deposited on account of any dispute

(vii) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.



(viii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender

(ix) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not been declared a willful defaulter by any bank or financial institution or other lender;

(b) According to the information and explanations given to us by the management, the Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained

(c) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term purposes by the company.

(d) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(e) is not applicable.

(e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(f) is not applicable.

(x) (a) The company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us , no fraud by the company or any fraud on the company has been noticed or reported during the course of audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central



Government;

(c) According to the information and explanations given to us by the management, no whistle-blower complaints had been received by the company

(xii) The company is not a Nidhi Company. Accordingly, clause 3(xii)(a), 3(xii)(b) and 3(xii)(c) of the Order is not applicable.

(xiii) In our opinion and 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, where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards;

(xiv) (a) Based on information and explanations provided to us and our audit procedures, the company has an internal audit system commensurate with the size and nature of its business;

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company

(xvi) (a) In our Opinion and based on our examination, the Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) and the registration has been obtained;

(xvii) Based on our examination, the company has incurred cash losses in the financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention,



which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) Based on our examination, the provision of section 135 are not applicable on the company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

(xxi) The company is not required to prepare Consolidate financial statement hence this clause is not applicable.

For A. D. Vyas & Co.
Chartered Accountants
FRN: 113588W



ASHA VYAS
(PARTNER)
Membership No. 47250

Place:-Rajkot
Date: 21/06/2024

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 LIMITED ("the Company") as of March 31, 2024 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 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, 2024, 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 A. D. Vyas & Co.
Chartered Accountants
FRN: 113588W

ASHA VYAS
(PARTNER)
Membership No. 47250

Place:-Rajkot
Date: 21/06/2024

A. D. Vyas
B.Com., F.C.A., D.I.S.A.

A. D. Vyas & Co.
Chartered Accountants

Auditor's Additional Report

The Board of the Directors
Rajath Finance Limited
Rajkot

1. This report is issued in accordance with the requirements of Non-Banking Financial Companies Auditors Report (Reserve Bank) Directions, 2008 (the "Directions") and on the basis of explanation provided by management of Rajath Finance Limited (hereinafter referred to as the "Company") and to the best of our knowledge and belief, for the year ending on 31st March, 2024, we report that

2. We have audited the accompanying financial statements of Company comprising Balance Sheet as at March 31,2024 and the related Statement of Profit and Loss and Cash Flow Statement for the year ended on that date, on which we have issued our report dated 21/06/2024.

Management's Responsibility for the Financial Statements

3. 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 standalone financial statements to 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, read with Rule 7 of the Companies (Accounts) Rules, 2014.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.

A. D. VYAS & CO. RAJKOT Chartered Accountants

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4. The Management is also responsible for compliance with the Reserve Bank of India (hereinafter RBI or Bank) Act,1934 and other relevant RBI circulars and guidelines applicable to Non-Banking Financial Companies, as amended from time to time, and for providing all the required information to RBI.

Auditor's Responsibility

5. Pursuant to the requirements of Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008 as consolidated in RBI Master circular, it is our responsibility to examine the audited books and records of the Company for the year ended 31-03-2024 and report on the matters specified in the Directions to the extent applicable to the Company.

6. We conducted our examination in accordance with the 'Guidance Note on Audit reports and Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India

Opinion

7. Based on our examination of the audited books and records of the Company for the year ended 31-03-2024 as produced for our examination and the information and explanations given to us we report that:

    7.1 The Company is engaged in the business of non-banking financial institution and has obtained a certificate of registration (CoR) from the bank bearing registration number 01.00245 dated 14th May, 2003.

    7.2 The Company is entitled to continue to hold such CoR in terms of its asset as on March 31, 2024.

    7.3 Based on the criteria set forth by the Bank in Company Circular No. DNBS.PD. CC No. 85/03.02.089/2006-07 dated 6th December, 2006; the company is not an Asset Finance Company (AFC) for the financial year 2023-24.

    7.4 Based on the criteria set forth by the Bank in the Notification viz. Non-Banking Financial Company- Micro Finance Institutions (Reserve Bank) Directions, 2011 dated December 02, 2011 for classification of NBFCs as NBFC-MFIs, the company is not a NBFC-MFI as defined in the said Directions with reference to the business carried on by it during the financial year 2023-24.

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7.5 The Company has not accepted any public deposits during the year ended March, 2024.

7.6 The Company has complied with the prudential norms relating to income recognition, accounting standards asset classification and provisioning for bad and doubtful debts as applicable to it in terms of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 (as amended up to the date of this report).

7.7 Company has not obtained membership of all four Credit Information Companies (CICs) and registered itself with CERSAI for CKYC as required in terms of relevant provisions of RBI Master Directions, Prevention of Money Laundering Act, 2002 and Prevention of Money Laundering (Maintenance of Records) Rules, 2005.

Restriction on Use

8. Our obligations in respect of this report are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing said in this report, nor anything said or done in the course of or in connection with the services that are the subject of this report, will extend any duty of care we may have in our capacity as auditors of any financial statements of the Company.

9. This report is issued pursuant to our obligations under Directions to submit a report on additional matters as stated in the above Directions, to the Board of Directors of the Company and should not be used by any other person or for any other purpose. A. D. Vyas & Co neither accepts nor assumes any duty or liability for any other purpose or to any other party to whom our report is shown or into whose hands it may come without our prior consent in writing.

Place: Rajkot
Date: 21/06/2024

For, A.D.Vyas & Co.
Chartered Accountants
(FRN: 1135588W)

Avyas

ASHA D. VYAS
(Partner)
M.No.047250
UDIN: 24047250BKCRJD5262

A. D. Vyas & Co. RAJKOT Chartered Accountants

RAJATH FINANCE LIMITED

BALANCE SHEET AS AT March 31, 2024

(Amount in Thousand)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
ASSETS			
1 Financial assets			
(a) Cash & cash equivlants	3	1,030.81	1,039.28
(b) Loans	4	3,995.77	61,600.13
(c) Investments	5	43,864.07	1.50
(d) Other financial assets	6	891.00	-
Sub total of financial assets		49,781.66	62,640.92
2 Non - financial assets			
(a) Current tax assets (Net)	7	211.98	211.94
(b) Deferred tax assets (Net)	8	4,497.79	988.68
(c) Property, plant and equipment	9	9,866.04	10,700.63
(d) Intangible assets	10	247.22	-
(f) Inventories	11	209.43	209.43
(e) Other non - financial assets	12	642.07	269.62
Sub total of non - financial assets		15,674.53	12,380.30
TOTAL		65,456.19	75,021.22
LIABILITIES AND EQUITY			
1 Financial liabilities			
(a) Payables			
- Trade payables	13		
(i) total outstanding dues of micro enterprises and small enterprises		1,031.99	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,727.46	357.60
(b) Borrowings	14	4,656.00	6,401.37
Sub total of financial liabilities		7,415.45	6,758.97
2 Non- financial liabilities			
(a) Provisions	15	162.79	16.60
(b) Other non-financial liabilities	16	1,242.16	66.42
Sub total of non - financial liabilities		1,404.95	83.02
3 Equity			
(a) Equity share capital	15	40,000.00	40,000.00
(b) Other equity	16 & 17	16,635.79	28,179.24
Sub total of equity		56,635.79	68,179.24
TOTAL		65,456.19	75,021.22

See accompanying notes to the financial statements '1 to 44'

This is the balance sheet referred to our report of even date

For A. D. Vyas & Co.
Firm Registration Number: 113588W
Chartered Accountants

A.D. VYAS & CO. RAJKOT Chartered Accountant

Asha Vyas
Partner
Membership No. 047250

Place: Rajkot
Date: 21/06/2024

UDIN : 24047250BKCRJD5262

For and on behalf of the Board of Directors
Rajath Finance Limited

Gautam K. Shah
Director
DIN :- 06379806
Place : Mumbai

RAJATH FINANCE LIMITED MUMBAI

Urvashi M Parmar
Chief Financial Officer
DIJPP8553F
Place : Mumbai

Jaya Nigam
Whole time Director
DIN: 05193565
Place : Mumbai

Akash H Bheda
Company Secretary
A68264
Place : Mumbai

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

(Amount in Thousand)

Particulars	Note No.	March 31, 2024	March 31, 2023
Revenue from operations			
(a) Interest income	18	818.60	3,274.04
Total revenue from operations (I)		818.60	3,274.04
Other income (II)	19	117.84	38.00
Total income III = (I) + (II)		936.43	3,312.03
Expenses			
(a) Finance cost	20	448.47	363.93
(b) Impairment on financial instruments	21	2,218.52	-
(c) Employee benefits expense	22	891.56	435.30
(d) Depreciation & amortisation	9 & 10	1,243.34	900.38
(e) Other expenses	23	12,476.80	3,050.65
Total Expenses (IV)		17,278.69	4,750.26
Profit/(loss) Before Tax (V) = (III - IV)		-16,342.26	-1,438.23
Tax Expense (VI) :			
a) Current Tax		-	-
b) Deferred Tax/ (Credit)		3,834.97	333.44
c) Excess/short provision adjusted relating earlier year tax		-4.94	-
Profit/(loss) After Tax (VII) = (V-VI)		-12,512.22	-1,104.79
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
Change in Fair Value through OCI		1,294.63	-
Income tax relating to items that will not be reclassified to profit or loss		-325.86	-
Other Comprehensive Income for the year (VIII)		968.77	-
Total Comprehensive Income for the year (IX) = (VII + VIII)		-11,543.46	-1,104.79
Earnings Per Equity Share (X)	25		
(Face value of Rs. 10 each fully paid up)			
Basic (in Rupees)		(3.13)	(0.28)
Diluted (in Rupees)		(3.13)	(0.28)

See accompanying notes to the financial statements '1 to 44'

This is the statement of profit and loss referred to our report of even date

For A. D. Vyas & Co.
Firm Registration Number: 113588W
Chartered Accountants

Asha Vyas
Partner
Membership No. 047250

Place: Rajkot
Date: 21/06/2024

A. D. VYAS & Co. RAJKOT Chartered Accountant

For and on behalf of the Board of Directors
Rajath Finance Limited

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DIJPP8553F
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Company Secretary
A68264
Place : Mumbai

RAJATH FINANCE LIMITED MUMBAI

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

(Amount in Thousand)

a) Equity Share Capital

Particulars	Nos.	Amount
Equity Shares of Rs. 10 each		
As at April 1, 2022	40 00 000	40,000.00
Issue of Share Capital	-	-
As at March 31, 2023	40 00 000	40,000.00
Issue of Share Capital	-	-
As at March 31, 2024	40 00 000	40,000.00

b) Other equity

Particulars	Note	Reserves and surplus				Other comprehensive	Total other equity
		General Reserve	Capital Reserve	Special Reserve	Surplus/ (deficit) in the statement of profit and loss	Change in Faire Value through OCI	
As at March 31, 2022		2,432.88	30,056.50	5,534.57	-8,739.92	-	29,284.03
Profit for the year					-1,104.79		-1,104.79
Other comprehensive income		-	-	-	-	-	-
Income tax relating to items that will be reclassified to profit or loss		-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-1,104.79	-	-1,104.79
Transactions with owners in their capacity as owners:							
-Issue of equity shares during the year		-	-	-	-	-	-
- Transfers to:							
Statutory reserve fund		-	-	-	-	-	-
As at March 31, 2023		2,432.88	30,056.50	5,534.57	-9,844.71	-	28,179.24
Profit for the year		-	-	-	-12,512.22	-	-12,512.22
Other comprehensive income		-	-	-	-	1,294.63	1,294.63
Income tax relating to items that will be reclassified to profit or loss		-	-	-	-	-325.86	-325.86
As at March 31, 2024		2,432.88	30,056.50	5,534.57	-22,356.93	968.77	16,635.79

Note-Statutory Reserve fund transferred will be considered at the year end not at the time of quarter closing.

See accompanying notes to the financial statements '1 to 44'

This is the statement of changes in equity referred to in our report of even date

For A. D. Vyas & Co.
Firm Registration Number: 113588W
Chartered Accountants

Asha Vyas
Partner
Membership No. 047250

Place: Rajkot
Date: 21/06/2024

A. D. VYAS & Co. RAJKOT Chartered Accountant

For and on behalf of the Board of Directors
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RAJATH FINANCE LIMITED MUMBAI

Jaya Nigam
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DIN: 05193565
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Akash H Bheda
Company Secretary
A68264
Place : Mumbai

RAJATH FINANCE LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

(Amount in Thousand)

Particulars	March 31, 2024		March 31, 2023	
(a) Cash flow from operating activities :				
Profit/(Loss) before tax:		-16,342.26		-1,438.23
Adjustments :				
Depreciation & amortisation	1,243.34		900.38	
Impairment on financial instruments	634.52		-	
Dividend received	-0.68		-38.00	
Finance cost	448.47		363.93	
Change in fair value of investment	1,294.63		-	
Provision on Standard Assets	-		-	
		3,620.28		1,226.31
Operating profit before working capital changes		-12,721.98		-211.92
Adjustments for (increase)/ decrease in operating assets:				
Loans	56,969.86		-4,914.18	
Other Non - financial assets	-372.45		-	
Adjustments for increase/ (decrease) in operating liabilities				
Trade payables & other payables	2,401.85		-740.53	
Other non-financial liabilities	1,321.93		-2,910.16	
		59,430.19		-8,564.87
Cash generated from operations		46,708.21		-8,776.79
Less : Interest paid	-448.47		-363.93	
Less : Income taxes paid (net of refunds)	-4.98		-	
		-453.45		-363.93
Net cash (outflow) from operating activities (a)		46,254.76		-9,140.72
(b) Cash flow from investing activities :				
Purchase of investment	-43,862.57		-	
Purchase of property, plant and equipments	-399.75		-9,404.77	
Purchase of Investment property	-256.22		-	
Dividend	0.68		38.00	
		-44,517.86		-9,366.77
Net cash inflow / (outflow) from investing activities (b)		-44,517.86		-9,366.77
(c) Cash flow from financing activities :				
(Repayment)/Borrowings from banks & financial institutions (Net)	-1,745.37		6,401.37	
		-1,745.37		6,401.37
Net cash (outflow) / inflow from financing activities (c)		-1,745.37		6,401.37
Net decrease in cash and bank balances (a + b+ c)		-8.47		-12,106.12
Add : cash and cash equivalents at beginning of the year		1,039.28		13,143.91
Cash and cash equivalents at end of the year		1,030.81		1,039.28

This is the statement of cashflows referred to our report of even date

For A. D. Vyas & Co.
Firm Registration Number: 113588W
Chartered Accountants

Asha Vyas
Partner
Membership No. 047250

Place: Rajkot
Date: 21/06/2024

A. D. VYAS & CO. RAJKOT Chartered Accountant

For and on behalf of the Board of Directors
Rajath Finance Limited

Gautam K. Shah
Director
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RAJATH FINANCE LIMITED MUMBAI

Jaya Nigam
Whole time Director
DIN: 05193565
Place : Mumbai

Akash H Bheda
Company Secretary
A68264
Place : Mumbai

1 Corporate information

Rajath Finance Limited, was incorporated on August 17, 2000 with the Registrar of Companies (RoC), Maharashtra, Mumbai. Subsequently, as on December 13, 1984 The Company was registered as a Non-Banking Financial Company without accepting public deposits, as defined under Section 45-IA of the Reserve Bank of India Act, 1934. The Company is principally engaged in lending activities and provides loans to small and medium enterprises for working capital and growth, two wheelers loans, loans against property, personal loans and financing of various micro enterprises.

The registered office of the Company is located at 208-215, Star Plaza, Phulchhab Chowk, Rajkot 360001. The Company is a public limited company.

2 Significant accounting policies and critical accounting estimate and judgments

2.1 Basis of preparation, measurement and significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1.1 Basis of Preparation of Financial Statements :

(i) Compliance with Ind AS

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under Section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act and the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions') issued by Reserve Bank of India (RBI). The financial statements have been prepared on a going concern basis. The Company uses accrual basis of accounting except in case of significant uncertainties.

For all periods up to and including the year ended March 31, 2018, the Company had prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 and the NBFC Master Directions (hereinafter referred as 'Previous GAAP'). These financial statements for the year ended March 31, 2019 are the first financial statements of the Company, which has been prepared in accordance with Ind AS.

(ii) Historical cost convention

The financial statements have been prepared under the historical cost convention, as modified by
(i) certain financial assets and financial liabilities at fair value,
(ii) assets held for sale measured at fair value less cost to sell, and
(iii) defined benefit plans – plan assets that are measured at fair value.

(iii) Order of liquidity

The Company is covered in the definition of Non-Banking Financial Company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. Pursuant to Ind AS 1 - 'Presentation of Financial Statements' and amendment to Division III of Schedule III to the Companies Act, 2013 dated October 11, 2018, the Company presents its balance sheet in the order of liquidity. A maturity analysis of recovery or settlement of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is presented in Note No. 48 (i).

(iv) Compliance with RBI Master Direction

The Company complies in all material respects, with the prudential norms relating to income recognition, asset classification and provisioning for bad and doubtful debts and other matters, specified in the master directions issued by the Reserve Bank of India ('RBI') in terms of "Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016" ("RBI Master Direction') vide Reserve Bank of India (RBI) Notification No. RBI/DNBR/2016-17/45 Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016 updated on timely basis (the "RBI Directions") as applicable to the Company. Indian Accounting Standards and Guidance Notes issued by the Institute of Chartered Accountants of India (referred to in these Directions as "ICAI") shall be followed insofar as they are not inconsistent with any of these Directions.

(v) Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialised.

2.1.2 Revenue Recognition :

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognised when (or as) the Company satisfies a performance obligation by transferring a promised service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. When (or as) a performance obligation is satisfied, the Company recognizes as revenue the amount of the service rendered (excluding estimates of variable consideration) that is allocated to that performance obligation.
The Company applies the five-step approach for recognition of revenue:
1. Identification of contract(s) with customers;
2. Identification of the separate performance obligations in the contract;
3. Determination of transaction price;
4. Allocation of transaction price to the separate performance obligations; and
5. Recognition of revenue when (or as) each performance obligation is satisfied.

(i) Interest income

The Company recognises interest income using Effective Interest Rate (EIR) on all financial assets subsequently measured at fair value through profit or loss (FVTPL) is recognised at the contractual rate of interest. EIR is calculated by considering all costs and incomes attributable to acquisition of a financial asset or assumption of a financial liability and it represents a rate that exactly discounts estimated future cash payments/receipts through the expected life of the financial asset/financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

The Company recognises interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. In case of credit-impaired financial assets regarded as 'stage 3', the Company recognises interest income on the amortised cost net of impairment loss of the financial asset at EIR. If the financial asset is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Delayed payment interest (penal interest) levied on customers for delay in repayments/non payment of contractual cashflows is recognised on realisation.

Interest income on fixed deposits is recognised as it accrues on a time proportion basis taking into account the amount outstanding

(ii) Loan processing fees and other operating income

Fees and commission incomes and expenses that are integral to the effective interest rate on a financial asset or liability are included in the effective interest rate. Fees and commission that are not integral to the effective interest rate are recognised on accrual basis over the life of the loan. Other operating income i.e. Foreclosure, Bounce Charges and Loan Re-schedulement Charges are accounted on cash basis.

(iii) Income from investments

Profit / (Loss) earned from sale of investments is recognised on trade date basis net off expenses incurred on sale. The cost of investment is computed based on weighted average basis.

(iv) Dividend income

Dividend income is recognised in the statement of profit or loss on the date that the Company's right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be reliably measured. This is generally when the shareholders approve the dividend.

A.D. VYAS & CO. RAJKOT Chartered Accountant

RAJATH FINANCE LIMITED MUMBAI

2.1.3 **Foreign currency translation :**

(i) Functional and presentation currency

Items included in financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is functional and presentation currency of the Company.

(ii) Translation and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

2.1.4 **Financial instruments :**

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost and investments in debt instruments measured at FVOCI, which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognizes the difference as follows:
a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.
b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

When the Company revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

2.1.5 **Financial assets :**

(i) Classification and subsequent measurement

The Company has applied Ind AS 109 -"Financial Instruments" and classifies its financial assets in the following measurement categories:
- Fair value through profit or loss (FVTPL);
-Fair value through other comprehensive income (FVOCI); or
- Amortised cost.

The classification requirements for debt and equity instruments are described below:

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables.

Classification and subsequent measurement of debt instruments depend on:
(i) the Company's business model for managing the asset; and
(ii) the cash flow characteristics of the asset.
Based on these factors, the Company classifies its debt instruments into one of the following three measurement categories:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured. Interest income from these financial assets is recognised using the effective interest rate method.

Fair value through other comprehensive income: Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

Fair value option for financial assets: The Company may also irrevocably designate financial assets at fair value through profit or loss if doing so significantly reduces or eliminates an accounting mismatch created by assets and liabilities being measured on different bases.
Business model: The business model reflects how the Company manages the assets in order to generate cash flows. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVPL. Factors considered by the Company in determining the business model for a Company of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated. Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the 'other' business model and measured at FVPL.

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.
Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Re-classification: The Company reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

RAJATH FINANCE LIMITED MUMBAI

A. D. VYAS & CO. RAJKOT Chartered Accountant

Equity instruments:
Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in net gain/loss on fair value changes in the statement of profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Gains and losses on equity investments at FVPL are included in the statement of profit or loss.

(ii) Impairment
ECL are recognised for financial assets held under amortised cost, The Company follows 'simplified approach' for recognition of impairment loss allowance on loans which contain a financing component. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

(d) Measurement of ECL
The assessment of credit risk and estimation of ECL are unbiased and probability weighted. It incorporates all information that is relevant including information about past events, current conditions and reasonable forecasts of future events and economic conditions at the reporting date. In addition, the estimation of ECL takes into account the time value of money. Forward looking economic scenarios determined with reference to external forecasts of economic parameters that have demonstrated a linkage to the performance of our portfolios over a period of time have been applied to determine impact of macro economic factors.
The Company has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD). ECL is calculated by multiplying the PD, LGD and EAD and adjusted for time value of money using a rate which is a reasonable approximation of EIR.
- Determination of PD is covered above for each stages of ECL.
- EAD represents the expected balance at default, taking into account the repayment of principal and interest from the Balance Sheet date to the date of default together with any expected drawdowns of committed facilities.
- LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

(iii) Modification of loans
The Company sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Company assesses whether or not the new terms are substantially different to the original terms. The Company does this by considering, among others, the following factors:
-If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.
-Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan.
-Significant extension of the loan term when the borrower is not in financial difficulty.
-Significant change in the interest rate.
-Change in the currency the loan is denominated in.
-Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, the Company de-recognizes the original financial asset and recognizes a 'new' asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Company also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Company recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognizes a modification gain or loss in the statement of profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

(iv) Derecognition other than on a modification
Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Company transfers substantially all the risks and rewards of ownership, or (ii) the Company neither transfers nor retains substantially all the risks and rewards of ownership and the Company has not retained control. The Company directly reduces the gross carrying amount of a financial asset when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

The Company enters into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards. These transactions are accounted for as 'pass through' transfers that result in derecognition if the Company:
(i) Has no obligation to make payments unless it collects equivalent amounts from the assets;
(ii) Is prohibited from selling or pledging the assets; and
(iii) Has an obligation to remit any cash it collects from the assets without material delay.
Collateral (shares and bonds) furnished by the Company under standard repurchase agreements and securities lending and borrowing transactions are not de-recognised because the Company retains substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for derecognition are therefore not met. This also applies to certain securitisation transactions in which the Company retains a subordinated residual interest.

2.1.6 Financial Liabilities :

(i) Classification and subsequent measurement

In both the current and prior period, financial liabilities are classified as subsequently measured at amortised cost, except for:
(a) Financial liabilities at fair value through profit or loss: this classification is applied to derivatives, financial liabilities held for trading and other financial liabilities designated as such at initial recognition. Gains or losses on financial liabilities designated at fair value through profit or loss are presented partially in other comprehensive income (the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability, which is determined as the amount that is not attributable to changes in market conditions that give rise to market risk) and partially profit or loss (the remaining amount of change in the fair value of the liability). This is unless such a presentation would create, or enlarge, an accounting mismatch, in which case the gains and losses attributable to changes in the credit risk of the liability are also presented in profit or loss;
(b) Financial liabilities arising from the transfer of financial assets which did not qualify for derecognition, whereby a financial liability is recognised for the consideration received for the transfer. In subsequent periods, the Company recognizes any expense incurred on the financial liability; and
(c) Financial guarantee contracts and loan commitments.

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(ii) Derecognition

Financial liabilities are derecognised when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expires).

The exchange between the Company and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in covenants are also taken into consideration. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

2.1.7 Financial guarantee contracts and loan commitments :

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

(a) The amount of the loss allowance ; or

(b) The premium received on initial recognition less income recognised in accordance with the principles of Ind AS 115.

Loan commitments provided by the Company are measured as the amount of the loss allowance.

For loan commitments and financial guarantee contracts, the loss allowance is recognised as a provision. However, for contracts that include both a loan and an undrawn commitment and the Company cannot separately identify the expected credit losses on the undrawn commitment component from those on the loan component, the expected credit losses on the undrawn commitment are recognised together with the loss allowance for the loan. To the extent that the combined expected credit losses exceed the gross carrying amount of the loan, the expected credit losses are recognised as a provision.

2.1.8 Segment Reporting :

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The power to assess the financial performance and position of the Company and make strategic decisions is vested in the executive director who has been identified as the chief operating decisions maker.

The Company is mainly engaged in the commercial finance business and all other activities revolve around the main business of the Company. Further, all activities are conducted within India and as such there is no separate reportable segment as specified in Ind AS 108 on 'Operating Segment'.

2.1.9 Income Tax :

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current Taxes

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred Taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries and associates and interest in joint arrangements where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts. Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits. Recognition therefore involves judgement regarding the future financial performance of the particular legal entity or tax group in which the deferred tax asset has been recognised.

2.1.10 Off-setting financial instruments :

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.1.11 Cash and cash equivalents :

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in liabilities in the balance sheet.

2.1.12 Property, plant and equipment :

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Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 01, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives & residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of certain leased furniture, fittings and equipment, the shorter lease term as follows:

The estimated useful lives for the different types of assets are:

Asset	Useful Life (Years)
Furniture and fixtures	10 years
Office equipment	5 years
Computers	3 years
Vehicles	8 years
Buildings	60 years
Plant & machinery	8 years

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised in the statement of profit or loss.

2.1.13 Intangible assets :

(i) Intangibles Assets

Intangible assets are recognised where it is probable that the future economic benefit attributable to the assets will flow to the Company and its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortization and impairment, if any.

Expenditure incurred on acquisition/development of intangible assets which are not put/ready to use at the reporting date is disclosed under intangible assets under development. The Company amortises intangible assets on a straight-line basis over the useful lives of the assets commencing from the month in which the asset is first put to use. The Company provides pro-rata depreciation from the day the asset is put to use.

The estimated useful lives for the different types of assets are:

Asset	Useful Life (Years)
Computer software	3 years

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at April 1, 2017 measured as per the previous GAAP and use that carrying valueas the deemed cost of intangible assets.

2.1.14 Borrowing Cost :

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

2.1.15 Provisions :

Provisions for restructuring are recognised by the Company when it has developed a detailed formal plan for restructuring and has raised a valid expectation in those affected that the Company will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

The measurement of provision for restructuring includes only direct expenditures arising from the restructuring, which are both necessarily entailed by the restructuring and not associated with the ongoing activities of the company.

2.1.16 Employee benefits :

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

2.1.17 Earning Per Shares :

a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year and excluding treasury shares if any (Note No.42).

b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.1.18 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

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Company acting as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are classified as operating leases. Basis the above principle, all leases entered into by the Company as a lessee have been classified as operating leases.

Lease payments under an operating lease is recognised on an accrual basis in the Statement of Profit and Loss.

2.1.19 Inventories

Inventory is related to shares and carried at cost

2.1.20 Rounding of amounts :

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crores as per the requirements of Schedule III, unless otherwise stated.

2.2 Critical accounting estimates and judgements:

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

2.2.1 Effective interest rate method :

The Company recognises interest income/expense using the effective interest rate, i.e., a rate that represents the best estimate of a constant rate of return over the expected life of the loans. The effective interest method also accounts for the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges). This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

2.2.2 Impairment of financial assets using the expected credit loss method :

The measurement of impairment losses on loan assets and commitments, requires judgement, in estimating the amount and timing of future cash flows and recoverability of collateral values while determining the impairment losses and assessing a significant increase in credit risk.

The Company's Expected Credit Loss (ECL) calculation is the output of a complex model with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL model that are considered accounting judgements and estimates include:

- The Company's criteria for assessing if there has been a significant increase in credit risk
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL model, including the various formulae and the choice of inputs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL model
- It has been the Company's policy to regularly review its model in the context of actual loss experience and adjust when necessary.

2.2.3 Business model assessment :

Classification and measurement of financial assets depends on the results of the SPPI test and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement considered by the Company in determining the business model including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held.

2.2.4 Provisions and contingent liabilities :

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. The Company also discloses present obligations for which a reliable estimate cannot be made. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(Amount in Thousand)

3. Cash & cash equivalents

Particulars		As at March 31, 2024		As at March 31, 2023	
Cash on hand			152.69		159.35
Balance with banks					
- In current accounts	878.13		878.46		
		878.13			878.46
		1,030.81			1,037.80

4. Loans

Particulars			As at March 31, 2023	
a) Loans				
(i) Unsecured				
Private company in which director is a member/director				-
Others		4,877.68		61,847.52
Gross credit exposure		4,877.68		61,847.52
Less : Expected credit loss				
- Contingent provision against standard assets	-1.91		-247.39	
- Provision for NPA & doubtful debts	-880.00		-	
		-881.91		-247.39
Net credit exposure		3,995.77		61,600.13

Particulars			As at March 31, 2023	
At amortised cost				
Secured by tangible assets		4,877.68		61,847.52
- By tangible assets	-		-	
- By Intangible assets	-		-	
- By bank/government guarantees	-		-	
		4,877.68		61,847.52
Unsecured				-
Total - Gross		4,877.68		61,847.52
Less : Impairment loss allowance		881.91		247.39
Total - Net		3,995.77		61,600.13

5. Investments

Particulars	Face Value / Issue Price		As at March 31, 2022 Quantity	Value
Investments				
(a) Equity shares valued at fair value unless stated otherwise				
Quoted, fully paid-up				
Investment in Shares	-	1.50	-	1.50
Investment in Mutual Fund	-	43,862.57	-	-
Total		43,864.07		1.50
Less : Provision for dimunition in the value of investments		-		-
		-		-
Total - Net Investments		43,864.07		1.50
Investmenst out side India		-		-
Investments in India		43,864.07		1.50
Gross Investments		43,864.07		1.50
Less: Allowance for impairment				0.00
Total - Net Investments		43,864.07		1.50
				-

1 **The aggregate value of investments :** **(Net of provision for diminution in the value of investments)**	As at March 31, 2019 Book Value	Market Value
Quoted	1.50	1.50
Unquoted	-	-
TOTAL	1.50	1.50

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6. Other financial assets

Particulars	As at March 31, 2023	As at March 31, 2023
Security deposit	891.00	-
	891.00	-

7. Current tax assets

Particulars	As at March 31, 2023	As at March 31, 2023
Unsecured, considered good		
Taxes paid	206.99	211.94
(Net of income tax provision, as at March 31, 2024 Rs.Nil and as at March 31, 2023 Rs.Nil)		
	4.99	-
	211.98	211.94

8. Deferred tax assets

Particulars	As at March 31, 2023	As at March 31, 2023
Deferred tax asset disclosed in the balance sheet comprises the following :		
a) **Deferred tax liability**		
(i) Related to property, plant and equipment	37.53	-
(ii) Deferred tax on Ind AS Adjustment	325.86	-
(iii) Fair value of investments		-
(iv) Excess interest spread receivable		-
(v) Interest on collateral deposits		-
	363.38	-
b) **Deferred tax asset**		
(i) Deferred tax on Ind AS Adjustment	-	-
(ii) Expected credit loss	159.71	-
(iii) Tax lossess	3,712.79	988.68
	3,872.50	988.68
Net deferred tax liabilities/(asset) (a)- (b)	3,509.11	988.68

c) **Deferred tax assets/liabilities**

The balance comprises temporary differences attributable to the below items and corresponding movement in deferred tax assets / liabilities:

Particulars	As at April 1, 2023	Charged/ (credited) to profit and loss	Charged/ (credited) to OCI	As at March 31, 2024
Deferred Tax Assets	988.68	3,834.97	-325.86	4,497.79
Net deferred tax liabilities/(asset)	988.68	3,834.97	-325.86	4,497.79

Note :

As a matter of prudence, w.e.f. March 31, 2024 the company has decided to recognise any deferred tax assets (net) in books of accounts. In future, it is recognised only to the extent that it is probable that future profits will be availablev against which the deductible temporary difference can be utilised.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(Amount in Thousand)

9 **Property, plant and equipment**

Particulars	Buildings	Furniture & fixtures	Office Equipments	Computers	Plant & Machinery	Vehichles	Total
Carrying amount as at March 31, 2022	**3,494.61**	**2,188.21**	**217.78**	**1,680.61**	**-**	**-**	**7,581.22**
Additions during the year	-	-	38.00	72.50	-	9,294.27	9,404.77
Deduction during the year	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-
Carrying amount as at March 31, 2023	**3,494.61**	**2,188.21**	**255.78**	**1,753.11**	**-**	**9,294.27**	**16,985.99**
Additions during the period	-	-	**34.16**	**240.25**	**125.34**	-	399.75
Deduction during the period	-	-	-	-	-	-	-
Carrying amount as at March 31, 2024	**3,494.61**	**2,188.21**	**289.94**	**1,993.36**	**125.34**	**9,294.27**	**17,385.74**
b) Accumulated depreciation							
Opening accumulated depreciation	1,325.39	2,178.54	217.77	1,663.28	-	-	5,384.98
For the year	58.60	1.43	7.22	22.75	-	810.38	900.38
Deduction during the year	-	-	-	-	-	-	-
Accumulated depreciation as at March 31, 2023	**1,383.99**	**2,179.97**	**224.99**	**1,686.03**	**-**	**810.38**	**6,285.36**
For the period	**58.76**	**1.43**	**8.55**	**54.72**	**4.16**	**1,106.72**	1,234.34
Deduction during the period	-	-	-	-	-	-	-
Accumulated depreciation as at March 31, 2024	**1,442.75**	**2,181.40**	**233.54**	**1,740.75**	**4.16**	**1,917.10**	**7,519.70**
c) Net carrying amount							
As at March 31, 2023	2,110.62	8.24	30.79	67.08	-	8,483.89	10,700.63
As at March 31, 2024	**2,051.86**	**6.81**	**56.40**	**252.61**	**121.18**	**7,377.17**	**9,866.04**

The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
The vehicle is in the name of erstwhile director who was using the same for business purposes. The present management will take the necessary steps to regularize the accounts in the matter of this vehicle.

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(Amount in Thousand)

10 Intangible Asset

Particulars	Software and Website	Total
Carrying amount as at March 31, 2022	-	-
Additions during the year	-	-
Deduction during the year	-	-
Adjustments /Transfer from	-	-
		-
Carrying amount as at March 31, 2023	-	-
Additions during the year	256.22	256.22
Deduction during the year	-	-
Carrying amount as at June 30, 2022	**256.22**	**256.22**
Accumulated depreciation as at March 31, 2022	-	-
For the year	-	-
Deduction during the year	-	-
Accumulated depreciation as at March 31, 2023	-	-
For the year	**9.00**	9.00
Deduction during the year		
Accumulated depreciation as at June 30, 2022	**9.00**	**9.00**
c) Net carrying amount		
As at March 31, 2023	-	-
As at March 31, 2024	**247.22**	**247.22**

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

11 Inventories

Particulars	As at March 31, 2024	As at March 31, 2023
Inventory at the end of the year		
Shares	209.43	209.43
	209.43	**209.43**
Inventory at the beginning of the year		
Shares	209.43	209.43
	209.43	**209.43**

12. Other non- financial assets

Particulars	As at March 31, 2024		As at March 31, 2023	
Other Deposit	269.62		269.62	
GST Input Credit	308.48		-	
Prepaid expenses	63.97	642.07	-	269.62
		642.07		269.62

13. Trade payables

Particulars	As at March 31, 2024		As at March 31, 2023	
Total outstanding dues of :				
- Micro enterprises and small enterprises	1,031.99			-
- Creditors other than micro enterprises and small enterprises				
(i) Due to related party	-		-	
(ii) Due to others	1,727.46		357.60	
		2,759.45		357.60
		2,759.45		357.60

11. a) Trade payables March 31, 2024

Particulars		Outstanding for following periods from due date of payment#	
	Less than 1 year	Less than 1 year	1-2 years
(i) MSME	1,031.99	-	-
(ii) Others	1,727.46	-	-
(iii) Disputed dues - MSME	-	-	-
(iv) Disputed dues - Others	-	-	-
	2,759.45	-	-

11. a) Trade payables March 31, 2023

Particulars		Outstanding for following periods from due date of payment#	
	Less than 1 year	Less than 1 year	1-2 years
(i) MSME	-	-	-
(ii) Others	357.60	-	-
(iii) Disputed dues - MSME	-	-	-
(iv) Disputed dues - Others	-	-	-
	357.60	-	-

14. Borrowings

Particulars	As at March 31, 2024		As at March 31, 2023	
At amortised cost				
From banks / financial institutions				
- Secured				
(i) Vehicle loan -(Refer note "a" below)	4,656.00		6,401.37	
	4,656.00		6,401.37	
		4,656.00		6,401.37
Total borrowings (a)		4,656.00		6,401.37
Borrrowings in India		4,656.00		6,401.37
Borrowings outside India		-		-
Total borrowings (b)		4,656.00		6,401.37

13. Provisions

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for expenses	162.79	16.60
	162.79	16.60

14. Other non-financial liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory dues payables	1,242.16	66.42
	1,242.16	66.42

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(Amount in Thousand)

15 Equity share capital

Particulars	As at March 31, 2024		As at March 31, 2023	
	Nos.	Value	Nos.	Value
Authorised				
Equity shares of Rs. 10 each	7,500,000	75,000.00	7,500,000	75,000.00
		75,000		75,000
Issued, subscribed & paid-up				
Equity share capital				
Equity shares of Rs. 10 each	4,000,000	40,000.00	4,000,000	40,000.00
		40,000.00		40,000.00

a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year.

Outstanding at the beginning of the year	4,000,000	40,000,000.00	4,000,000	40,000,000.00
Shares issued during the year	-	-	-	-
Less: Shares cancelled due to amalgamation	-	-	-	-
Outstanding at the end of the year	4,000,000	40,000,000.00	4,000,000	40,000,000.00

b) Terms/rights/restrictions attached to equity shares

The company has only one class of equity shares having a face value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

The dividend proposed by the board of directors is subject to the approval of shareholders at the ensuing annual general meeting, is paid in indian rupees, except in case of interim dividend.

c) Terms/rights/restrictions attached to preference shares

The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per shareheld. The equity shareholders are entitled for dividend as may be proposed by the Board of Directors and approved by the shareholders in the Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remainingassets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

e) Details of shareholders holding more than 5% of the shares in the Company

	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Hitesh Bagdai	-	0.00%	896,853	22.42%
Poonam Bagdai	-	0.00%	896,851	22.42%
Bhavdeep Vala	-	0.00%	996,851	24.92%
Samco Securities Limited	-	0.00%	826,012	20.65%
9Anium Tech LLP	29 50 055	73.75%		0.00%
Hiral A Gathani	8 25 862	20.65%		0.00%
	3,775,917	94.40%	3,616,567	90.41%

e) Details of shareholding of promoter

	As at March 31, 2024	As at March 31, 2023
	No. of Shares	No. of Shares
Hitesh Bagdai	-	896,863
Poonam Bagdai	-	896,851
Bhavdeep Vala	-	996,851

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2024

(Amount in Thousand)

16 Other equity

Particulars	As at March 31, 2024		As at March 31, 2023	
Reserves and surplus				
i) **General Reserve**				
As per last balance sheet	2,432.88		2,432.88	
Add : Transfer during the year	-			
Less : Paid during the year	-		-	
		2,432.88		**2,432.88**
ii) **Capital Reserve**				
As per last balance sheet	30,056.50		30,056.50	
Add : Transfer during the year	-		-	
Less : Paid during the year	-		-	
		30,056.50		**30,056.50**
iii) **Special reserve (Refer note 2 below)**				
As per last balance sheet	5,534.57		5,534.57	
Add : Transfer from retained earning during the year	-			
		5,534.57		**5,534.57**
iv) **Retained earning**				
As per last balance sheet under Previous GAAP			-	
Add/(Less) : Ind AS Adjustments			-	
Deferred tax on above adjustment				
As per last balance sheet	-9,844.71		-8,739.92	
Add : Transfer from statement of profit & loss	**-12,512.22**		**-1,104.79**	
		-22,356.93		-9,844.71
TOTAL		**15,667.02**		**28,179.24**

Notes:

1. Statutory reserve fund created pursuant to section 45-IC of the Reserve Bank of India Act, 1934.

17 **Nature and purpose of other equity**

a) **Statutory reserve fund in terms of section 45-IC (1) of the Reserve Bank of India Act, 1934**
Statutory reserve fund is created pursuant to Section 45-IC of the Reserve Bank of India Act, 1934 by tranferring 20% of the profit for the year for NBFC companies.

b) **Retained earnings**
Retained earnings represents the surplus in profit and loss account and appropriations.
The company recognises change on account of remeasurement of the net defined benefit liability/(asset) as part of retained earnings with separate disclosure, which comprises of:

- actuarial gains and losses;
- return on plan assets, excluding amounts included in net interest on the net defined benefit liability/(asset); and
- any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability/(asset).

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(Amount in Thousand)

18. Interest income

Particulars	March 31, 2024		March 31, 2023	
On financial assets measured at amortised costs:				
Interest income on :				
- Loans	818.60		3,274.04	
		818.60		3,274.04
		818.60		**3,274.04**

19. Other income

	March 31, 2024	March 31, 2023
Profit on sale of mutual fund	49.89	-
Dividend received	67.95	38.00
	117.84	**38.00**

20. Finance cost

	March 31, 2024		March 31, 2023	
On financial liabilities measured at amortised cost:				
Interest on :				
- Borrowings from banks & financial institutions	448.47		363.93	
		448.47		363.93
		448.47		**363.93**

21. Impairment on financial instruments

	March 31, 2024		March 31, 2023	
At amortised cost:				
- Loans				
(i) Bad Debts written off	-		-	
(ii) Provision/ (Reversal) for NPA & doubtful debts	120.86		3,000.00	
(iii) Contingent provision against standard assets	1,217.65		-	
(iv) Provision for impairment loss	880.00		(3,000.00)	
(v) (Profit)/ Loss on sale of repossessed assets				
		2,218.52		-
		2,218.52		**-**

Disclosure on the asset classification and computation of provisions as per extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020

Asset Classification as per RBI Norms	Standard Assets	Non Performing Assets	Total
Loans	479.58	5,280.00	5,759.58
Impairment provision	-1.90	-880.00	-881.90
Loans (net of provision)	**477.68**	**4,400.00**	**4,877.68**

22. Employee benefits expense

	March 31, 2024	March 31, 2023
- Salaries and wages	891.56	435.30
	891.56	**435.30**

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

23. Other expenses

	March 31, 2024	March 31, 2023
Auditor's remuneration (Refer Note No. 24)	12.50	14.75
Director Remuneration	4,000.00	450.00
Bank charges	1.21	0.38
Directors' sitting fees	600.00	-
Donation	-	115.00
Insurance	76.64	-
Legal & professional fees	4,059.10	1,349.85
Rates and taxes	455.95	4.62
Miscellaneous expenses	87.83	23.00
Printing and stationary	20.89	-
Postage,telegram & telephone	22.30	5.08
IT expenses	15.65	5.50
GST expenses	347.13	-
Rent	1,336.50	-
Repairs & maintenance - others	-	1.90
ROC Filling Fees & Stamp Duty	46.96	-
Travel & conveyance	374.21	579.00
Marketing expenses	449.75	48.07
Electricity expenses	53.30	30.79
Debit balance written off	4.41	-
Listing expenses	383.50	354.00
Office expenses	128.97	68.71
	12,476.80	**3,050.65**

24. Auditors' remuneration

	March 31, 2024	March 31, 2023
Audit fees	12.50	14.75
Total	**12.50**	**14.75**

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(Amount in Thousand)

25 Computation of Earnings per Share (Basic and Diluted):

The number of shares used in computing Basic and Diluted Earnings Per Share is the weighted average number of shares outstanding during the year.

Particulars	Year Ended March 31,2024	Year Ended March 31,2023
I. Profit Computation for both Basic and Diluted Earnings Per Share of Rs 10 each:		
Net Profit as per the Statement of Profit and Loss available for Equity Shareholders (amount in thousands)	(12,512.22)	(1,104.79)
II. Weighted average number of Equity Shares for Earnings Per Share computation:		
Number of shares for Basic Earnings Per Share	4,000,000	4,000,000
Number of shares for Diluted Earnings Per Share	4,000,000	4,000,000
III. Earnings Per Share:		
Basic (in Rs)	(3.13)	(0.28)
Diluted (in Rs)	(3.13)	(0.28)

26 Related Party Disclosures

(a) Names of related parties and nature of relationship

Names of Related party	Nature of Relationship
Jaya Nigam	Whole Time Director
Gautam Kiritkumar Shah	Managing Director
Prakash Darshibhai Shah	Independent Director
Jayna Rachit Shah	Independent Director
Urvashi Manoj Parmar	Chief Financial Officer
Akash Hirenbhai Bheda	Company Secretary and Compliance Officer
Sarat Kumar Malik	Independent Director

(b) Related Party Disclosures

The following transactions were carried out during the year with the related parties in the ordinary course of business:

Sr. No	Particulars		Key Management person and relatives	Subsidiary/ Associate	Companies in which key management person has significant control	Total
1	**Director's Remunuration & Reimbursement**		**4,000.00**	-	-	**4,000.00**
			(450.00)	(-)	(-)	(450.00)
2	**Rent paid**		**1,764.18**	-	-	**1,764.18**
			-	-	-	-
3	**Security deposit**		**891.00**	-	-	**891.00**
			-	-	-	-
4	**Director sitting fees**		**600.00**	-	-	**600.00**
			-	-	-	-

(iii) Maturity pattern of assets and liabilities

Particulars	Repayable on demand	Long term	Total
Liabilities			
Borrowings from Others		4,656	**4,656**
Assets			
Loans	-	3,996	**3,996**
Invesments	43,864	-	**43,864**

27 Dues to Micro, Small and Medium Enterprises (MSME)

The Company has not received any intimation from the suppliers regarding status under the Micro, Small and Medium Enterprises Development Act, 2006 (the 'Act') and hence disclosure regarding following has not been provided.

a) Amount due and outstanding to MSME suppliers as at the end of the accounting year.
b) Interest paid during the year to MSME
c) Interest payable at the end of the accounting year.
d) Interest accrued and unpaid at the end of the accounting year to MSME

The Company is making efforts to get the confirmations from the suppliers as regards their status under the Act. Management believes that the figures for disclosure will not be significant.

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28 Risk management objectives and policies

(i) Risk Management Framework

A summary of the major risks faced by the Company, its measurement monitoring and management are described as under:

Nature of Risk	Arising from	Executive governance structure	Measurement, monitoring and management of risk
Liquidity and funding risk	Liquidity risk arises from mismatches in the timing of cash flows. Funding risk arises: (i) when long term assets cannot be funded at the expected term resulting in cashflow mismatches; (ii) amidst volatile market conditions impacting sourcing of funds from banks and money markets	Board appointed Asset Liability Committee (ALCO)	Liquidity and funding risk is: (i) measured by identifying gaps in the structural and dynamic liquidity statements. (ii) monitored by - assessment of the gap between visibility of funds and the near term liabilities given current liquidity conditions and evolving regulatory directions for NBFCs. - a constant calibration of sources of funds in line with emerging market conditions in banking and money markets. - periodic reviews by ALCO relating to the liquidity position and stress tests assuming varied 'what if' scenarios and comparing probable gaps with the liquidity buffers maintained by the Company. (iii) managed by the Company's treasury team under the guidance of ALCO.
Interest rate risk	Interest rate risk stems from movements in market factors, such as interest rates, credit spreads which impacts investments, income and the value of portfolios.	Board appointed Asset Liability Committee (ALCO)	Interest rate risk is: (i) monitored by assessment of probable impacts of interest rate sensitivities under simulated stress test scenarios given range of probable interest rate movements on both fixed and floating assets and liabilities. (ii) managed by the Company's treasury team under the guidance of ALCO.
Credit risk	Credit risk is the risk of financial loss arising out of a customer or counterparty failing to meet their repayment obligations to the Company	Board appointed Risk Management Committee	Credit risk is: (i) measured as the amount at risk due to repayment default of a customer or counterparty to the Company. Various matrics such as EMI default rate, overdue position, collection efficiency, customers non performing loans etc. are used as leading indicators to assess credit risk. (ii) monitored by Risk Management Committee using level of credit exposures, portfolio monitoring, geographic, customer and portfolio concentration risks. (iii) managed by a robust control framework by the risk department which continuously align credit policies and reviews of portfolios and delinquencies by senior and middle Management team comprising of risk, analytics, collection and fraud containment along with business. The same is periodically reviewed by the Board appointed Risk Management Committee

(a) Liquidity and funding risk

The Company's ALCO monitors asset liability mismatches to ensure that there are no imbalances or excessive concentrations on either side of the Balance Sheet.

The Company continuously monitors liquidity in the market; and as a part of its ALCO strategy.

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28 (i) Risk management objectives and policies (Contd.)

The table below shows an analysis of assets and liabilities (maturity analysis) according to when they are to be recovered or settled.

(Amount in Thousa

Particulars	As at March 31, 2024			As at March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
1. Financial assets						
(a) Cash and cash equivalents	1,030.81	-	1,030.81	1,039.28	-	1,039.2
(b) Loans	3,995.77	-	3,995.77	61,600.13	-	61,600.1
(c) Investments	43,864.07	-	43,864.07	1.50	-	1.5
(d) Other financial assets	891.00	-	891.00	-	-	-
2. Non-financial assets						
(a) Inventories						
(b) Current tax assets (Net)		209.43	209.43		209.43	209.4
(c) Deferred tax assets (Net)	211.98	-	211.98	211.94	-	211.9
(d) Property, plant and equipment	-	4,497.79	4,497.79	-	988.68	988.6
(e) Other intangible assets	-	9,866.04	9,866.04	-	10,700.63	10,700.6
(f) Other non-financial assets	-	247.22	247.22	-	-	-
	642.07	-	642.07	269.62	-	269.6
Total assets	**50,635.70**	**14,820.48**	**65,456.18**	**63,122.47**	**11,898.74**	**75,021.2**

Particulars	As at March 31, 2024			As at March 31, 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
1. Financial liabilities						
(a) Payables						
- Trade payables	2,759.45	-	2,759.45	357.60	-	357.6
- Other payables	-	-	-	-	-	-
(c) Borrowings (Other than debt securities)	2,054.45	2,601.85	4,656.30	1,745.07	4,656.30	6,401.3
(e) Other financial liabilities	1,242.16		1,242.16	66.42	-	66.4
	-			-		
2. Non-financial Liabilities						
(a) Provisions	162.79	-	162.79	16.60	-	16.6
Total liabilities	**6,218.85**	**2,601.85**	**8,820.70**	**2,185.69**	**4,656.30**	**6,841.9**
Net	**44,416.85**	**12,218.63**	**56,635.47**	**60,936.78**	**7,242.44**	**68,179.2**

Market risk

Market risk is the risk that the fair value of future cash flow of financial instruments will fluctuate due to changes in the market variables such as interest rates, foreign exchange rates an equity prices. The Company do not have any exposure to foreign exchange rate and equity price risk.

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29 Fair values

a) Financial instruments - fair value and risk management

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

Valuation methodologies adopted

Fair values of financial assets, other than those which are subsequently measured at amortised cost, have been arrived at as under:

(i) Fair values of investments held for trading under FVTPL have been determined under level 1 using quoted market prices of the underlying instruments;

(ii) Fair values of strategic investments in equity instruments designated under FVOCI have been measured under level 3 at fair value based on a discounted cash flow model.

(iii) Fair values of other investments under FVOCI have been determined under level 1 using quoted market prices of the underlying instruments;

(iv) Fair value of loans held under a business model that is achieved by both collecting contractual cash flows and partially selling the loans through partial assignment to willing buyers and which contain contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest are measured at FVOCI. The fair value of these loans have been determined under level 3.

The Company has determined that the carrying values of cash and cash equivalents, bank balances, trade receivables, short term loans, floating rate loans, investments in equity instruments designated at FVOCI, trade payables, short term debts, borrowings, bank overdrafts and other

b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

(a) recognised and measured at fair value and

(b) measured at amortised cost and for which fair values are disclosed in the financial statements

The Company determines fair values of its financial instruments according to the following hierarchy:

Level 1: valuation based on quoted market price: financial instruments with quoted prices for identical instruments in active markets that the Company can access at the measurement date.

Level 2: valuation based on using observable inputs: financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Level 3: valuation technique with significant unobservable inputs: – financial instruments valued using valuation techniques where one or more significant inputs are unobservable. Equity investments designated under FVOCI has been valued using discounted cash flow method.

Disclosures of Assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2019

As at March 31, 2024 *(Amount in Thousand)*

Assets and liabilities measured at fair value - recurring fair value measurements	Carring Value	Level 1	Level 2	Level 3	Total
Financial assets					
Investment	43,864.07	43,864.07	-	-	43,864.07
Total financial assets	**43,864.07**	**43,864.07**	**-**	**-**	**43,864.07**
Financial liabilities					
	-	-	-	-	-
Total financial liabilities	-	-	-	-	-

As at March 31, 2024 *(Amount in Thousand)*

Assets and liabilities measured at amortised cost for which fair values are disclosed	Carring Value	Level 1	Level 2	Level 3	Total
Financial assets					
Cash & cash equivlants	1,030.81	-	-	1,030.81	1,030.81
Loans	3,995.77	-	-	3,995.77	3,995.77
					-
Total financial assets	**5,026.58**	**-**	**-**	**5,026.58**	**5,026.58**
Financial liabilities					
Payables					-
- Trade payable	2,759.45	-	-	2,759.45	2,759.45
Borrowings	4,656.00	-	-	4,656.00	4,656.00
					-
Total financial liabilities	**7,415.45**	**-**	**-**	**7,415.45**	**7,415.45**

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As at March 31, 2023 *(Amount in Thousand)*

Assets and liabilities measured at fair value - recurring fair value measurements	Carring Value	Level 1	Level 2	Level 3	Total
Financial assets					
Investment	1.50	-	1.50	-	1.50
Total financial assets	**1.50**	**-**	**1.50**	**-**	**1.50**
Financial liabilities					
	-	-	-	-	-
Total financial liabilities	**-**	**-**	**-**	**-**	**-**

As at March 31, 2023 *(Amount in Thousand)*

Assets and liabilities measured at amortised cost for which fair values are disclosed	Carring Value	Level 1	Level 2	Level 3	Total
Financial assets					
Cash & cash equivlants	1,039.28	-	-	1,039.28	1,039.28
Loans	61,600.13	-	-	61,600.13	61,600.13
					-
Total financial assets	**62,639.41**	**-**	**-**	**62,639.41**	**62,639.41**
Financial liabilities					
Payables					-
- Trade payable	357.60	-	-	357.60	357.60
Borrowings	6,401.37	-	-	6,401.37	6,401.37
					-
Total financial liabilities	**6,758.97**	**-**	**-**	**6,758.97**	**6,758.97**

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- Listed equity investments (other than subsidiaries and associates - Quoted bid price on stock exchange
- Mutual fund - net asset value of the scheme
- Debentures or bonds - based on market yield for instruments with similar risk / maturity, etc.
- Private equity investment fund - price to book value method and
- Other financial instruments – discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2 except for unlisted equity securities, a contingent consideration receivable and certain derivative contracts, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and balances, Trade receivables, cash and cash equivalents, bank deposits and trade payables. Such amounts have been classified as Level 3 on the basis that no adjustments have been made to the balances in the balance sheet.

The fair values for loans were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

The fair values of debt securities, borrowing other than debt securities, subordinate liability are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

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30 Financial instruments - fair value and risk management

a) Financial instruments by category

The following table shows the carrying amounts of financial assets and financial liabilities

(Amount in Thousand

Particulars	As at March 31, 2024			As at March 31, 2023		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
(a) Cash and cash equivalents	-	-	1,030.81	-	-	1,039.28
(b) Loans	-	-	3,995.77	-	-	61,600.13
(c) Investments	-	43,864.07	-	-	1.50	-
(f) Other financial assets	-	-	891.00	-	-	-
Total financial assets	**-**	**43,864.07**	**5,917.58**	**-**	**1.50**	**62,639.41**
Financial liabilities						
(a) Payables						
- Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	1,031.99	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	1,727.46	-	-	357.60
- Other payables						
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
(c) Borrowings (Other than debt securities)	-	-	4,656.00	-	-	6,401.37
Total financial liabilities	**-**	**-**	**7,415.45**	**-**	**-**	**6,758.97**

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31 Segment Reporting

The Company is primarily engaged in the business of financing and there are no separate reportable segments identified as per the Ind AS 108 - Operating segments.

32 Events After Reporting Date

There have been no events after the reporting date.

33 Compliance With Number of Layer of Companies

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2024 and March 31, 2023.

34 Undisclosed Income

There are no transactions not recorded in the books of accounts for the financial years ended March 31, 2024 and March 31, 2023.

35 Items of Income and Expenditure of Exceptional Nature

There are no items of income and expenditure of exceptional nature for the financial years ended March 31, 2024 and March 31, 2023.

36 Loans to Directors, Senior Officers and Relatives of Directors

disclosure pursuant to RBI notification RBI/2022-23/29 dOR.CRe.ReC.no.25/03.10.001/2022-23 dated April 19, 2022.

Particulars	Aggregate amount of such sanctioned loans and advances	
	March 31, 2024	March 31, 2023
Directors and their relatives	-	-
Entities associated with directors and their relatives	-	-
Senior Officers and their relatives	-	-

37 Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual currency during the financial years ended March 31, 2024 and March 31, 2023.

38 Details of Benami Property Held

No proceedings have been initiated or pending against the Company for holding any benami property under the Benami transactions (prohibition) Act, 1988 (45 of 1988) and rules made thereunder in the financial years ended March 31, 2023 and March 31, 2022.

39 Wilful Defaulter

The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender in the financial years ended March 31, 2024 and March 31, 2023.

40 Relationship With Struck Off Companies

No transactions are with companies whose names have been struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 in the financial years ended March 31, 2024 and March 31, 2023.

41 Title Deeds of Immovable Properties Held In Name of The Company

The Company confirms that the title deeds of immovable properties are held in the name of the Company.

42 Ratio Analysis

Particulars		March 31, 2024	March 31, 2023	Reason for ratio variance
Current Ratio	Times	6.71	9.27	
Debt-Equity Ratio	Times	0.08	0.09	
Debt Service Coverage Ratio	Times	-	-	
Return on Equity Ratio	%	-0.22	-0.02	
Inventory Turnover Ratio	Times	NA	NA	
Trade Receivable Trunover Ratio	Times	NA	NA	
Net Capital Turnover Ratio	%	1.45%	4.80%	During the year, company has not given new loans to customers. Hence its turnover has been reduced.
Net Profit Ratio	%	-1996%	-44%	
Return on Capital Employed	%	-25.87%	-0.26%	
Return on Investment	%	-22.09%	-1.62%	

43 Contingent liabilities not provided for in respect of :

Particular	Assessment year	Date of Notice	Principal	Interest	Balance Outstanding payable
Income tax act	2004-2005	10-Feb-20	1,384.33	-	1,384.33
Income tax act	2004-2005	18-Apr-14	670.27	833.98	1,504.26
Income tax act	2004-2005	16-Apr-15	1,504.26	427.73	1,931.99
Total			**3,558.86**	**1,261.71**	**4,820.57**

44 Previous Year Comparatives

The figures for the previous year have been regrouped/ rearranged wherever necessary to conform to the current year presentation.

For A. D. Vyas & Co.
Firm Registration Number: 113588W
Chartered Accountants

Asha Vyas
Partner
Membership No. 047250

Place: Rajkot
Date: 21/06/2024

A. D. VYAS & Co. RAJKOT Chartered Accountant

For and on behalf of the Board of Directors
Rajath Finance Limited

Gautam K. Shah
Director
DIN :- 06379806
Place : Mumbai

Urvashi M Parmar
Chief Financial Officer
DIJPP8553F
Place : Mumbai

Jaya Nigam
Whole time Director
DIN: 05193565
Place : Mumbai

Akash H Bhatia
Company Secretary
A68264
Place : Mumbai

RAJATH FINANCE LIMITED MUMBAI