

33RD ANNUAL REPORT

2017-2018

RAJATH
FINANCE LIMITED

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

Corporate Information:

Board of Directors

Hitesh Bagdai

Managing Director

Bhavdeep Vala

Executive Director

Poonam Bagdai

Non-executive &

Non-Independent Director

Kantilal Khakhar

Independent Director

Ketanbhai Dhulesiya

Independent Director

Janish Ajmera

Independent Director

Audit Committee

Kantilal Khakhar, Chairman

Ketan Dhulesiya, Member

Bhavdeep Vala, Member

Nomination

& Remuneration Committee

Kantilal Khakhar, Chairman

Ketan Dhulesiya, Member

Bhavdeep Vala, Member

Shareholder's Grievance Committee:

Ketan Dhulesiya, Chairman

Kantilal Khakhar, Member

Bhavdeep Vala, Member

Statutory Auditors

S A D P & Co.,

Chartered Accountants,

BB House, 5 - Collegewadi,

Near Kathiawad Gymkhana,

Rajkot – 360 001,

Gujarat

Bankers

IndusInd Bank

Corporation Bank

Registrars &

Share Transfer Agent

LINK INTIME INDIA PVT. LTD.

5th Floor, 506 to 508, Amarnath Business

Centre-1(ABC-1), Beside Gala Business

Centre, Off C G Road, Navrangpura,

Ahmedabad – 380 009

Tele No. 079 - 26465179

Email: ahmedabad@linkintime.co.in

NOTICE

NOTICE is hereby given that the **33RD Annual General Meeting** of the Members of the Company will be held on **Friday, 28th September, 2018** at 11:00 a.m. at the Registered Office of the Company situated at 208-215, Star Plaza, Phulchhab Chowk, Rajkot-360001, to transact the following business:

❖ **Ordinary Business:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2018 and the reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of **Mr. Bhavdeep VajubhaiVala**, who retires by rotation and, being eligible, offers himself for re-appointment.

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3. To appoint Auditors of the Company and fix their remuneration and to consider and if thought fit, to pass following resolution as an **Ordinary Resolution** thereof:

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

❖ **Special Business:**

4. Re-appointment of Mr. Janish Navinchandra Ajmera as a Independent Director.

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

“**RESOLVED THAT** pursuant to the provisions of Section-149(10) of Companies Act 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) and re-enactment thereof for the time being in force) Mr. Janish Navinchandra Ajmera, Independent Director, [DIN: 06708217] of the Company which was approved by the Board of Directors of the Company, subject to approval of shareholders, be and is hereby Re-appointed as a Independent Director of the Company for a period of Five years from the date of AGM.

By Order of the Board of Directors,

Date : 29.05.2018

Place : Rajkot

For, Rajath Finance Limited

(HITESH BAGDAI)
Managing Director
DIN: 00575732

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

The Board of Directors had appointed Shri Janish Ajmera [DIN: 06708217] as an Independent Director of the Company w.e.f 30th December, 2013 for a period of Five year. In term of Section 149(10) an independent director shall hold office for a term up to five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing of a special resolution by the company and disclosure of such appointment in the Board's Report.

Pursuant to the said provision of the Companies Act, 2013, the Company has received Form DIR-2(Consent to act as Director) from Janish Ajmera, Independent Director [DIN: 06708217] to act as a Independent Director of the Company.

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

None of the Directors, Key Managerial Personnel of the Company or Relatives of Directors are deemed to be interested in the Resolution.

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

Date : 29.05.2018

Place : Rajkot

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

(HITESH BAGDAI)
Managing Director
DIN: 00575732

Address of Registered Office:

Rajath Finance Limited,

CIN: L65910GJ1984PLC007486

208 – 215 Star Plaza,

PhulchhabChowk,

Rajkot – 360 001, Gujarat, India

Contact Number: 0281 – 30133 44 / 244 78 00

Fax: 0281 - 2454271

E-Mail: investorrelationsrajath@hotmail.com

Website: www.rajathfinance.in

NOTES:

- A. A Member entitled to attend and vote at the Annual General Meeting (“the meeting”) is entitled to appoint a proxy to attend and vote on poll and the proxy need not be a member of the Company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital may appoint a single person as proxy and such person shall not act as a proxy for any other person or member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.
- B. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 25th, September 2018 to Friday, 28th September, 2018.
- C. Electronic copy of the Annual report is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Annual report is being sent in the permitted mode.
- D. To promote green initiative, members are requested to register their e-mail addresses through their Depository Participants for sending the future communications by e-mail. Members holding the shares in physical form may register their e-mail addresses through the RTA, giving reference of their Folio Number. Members may also note that the Annual Report for FY 2017-18 will also be available on the Company’s website www.rajathfinance.in for their download.
- E. In Compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing facility to the members to exercise their right to vote at the 33rd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting platform provided by National Securities Depository Limited (NSDL).

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- F. The person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on Friday, 21st September, 2018 i.e. cutoff date only shall be entitled to avail the facility of remote e-voting as well as the voting in the Annual General Meeting. The members may cast their votes on electronic voting system from place other than the venue of the meeting (remote e-voting). **The remote e-voting period will commence. On Tuesday, 25th September, 2018 at 9.00 a.m. and will end on Thursday, 27th September, 2018 at 5.00 p.m.** In addition, the facility for voting through electronic voting system shall also be made available at the AGM and the Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to vote at the AGM. The Company has appointed Ms. Purvi G. Dave, Practising Company Secretary, Partner, MJP Associates, Practising Company Secretaries, to act as the Scrutinizer & scrutinize the entire e-voting process in Annual General Meeting in a fair and transparent manner. The instructions for e-voting with User Id and Password is being sent by electronic mode to all members whose email addresses are registered with the Company/Depository Participant(s) unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies are being sent by the permitted mode. The instructions for remote e-voting are given hereunder after closure of notes.
- G. All documents referred to in the accompanying Notice shall be open for inspection at the Registered Office of the Company during normal business hours (9 A.M. to 5 P.M.) on all working days except Saturdays and Sundays, up to and including the date of the Annual General Meeting of the Company.

BRIEF PROFILE OF DIRECTORS SEEING APPOINTMENT:

Director's Name	MR. BHAVDEEP V. VALA
Age	50 Years
Date of Appointment as Director in Company	27 th February, 2007
Qualification	Undergraduate
Experience in specific functional area	Wide experience in real estate business
Directorship held in other public limited Indian Companies(excluding Directorship in Rajath Finance Limited)	Nil
Membership/Chairmanship of Committees public limited Indian Companies (excluding Membership/ Chairmanship of Committees in Rajath Finance Limited)	Nil
Director's Name	Mrs. Poonam H Bagdai
Age	47 Years

Date of Appointment as Director in Company	30 th October, 2015 (Regularized as a director from additional director on 29 th September, 2016)
Qualification	Graduate
Experience in specific functional area	Analyst in Finance
Directorship held in other public limited Indian Companies (excluding Directorship in Rajath Finance Limited)	Nil
Membership/Chairmanship of Committees public limited Indian Companies (excluding Membership/ Chairmanship of Committees in Rajath Finance Limited)	Nil

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

Date : 29.05.2018

Place : Rajkot

(HITESH BAGDAI)
Managing Director
[DIN: 00575732]

❖ **Instructions for e-Voting:**

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2017 as amended by the Companies (Management and Administration) Amendment Rules 2015 and as per Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the listing agreement, the Company is pleased to provide members facility to exercise their right to vote at the 32nd Annual General Meeting by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL).

The e-voting facility will be commenced on Monday, 11th September, 2017 at 9.00 a.m. and will end on Wednesday 13th September, 2017 at 5.00 p.m. The cut-off date for the purpose of ascertaining the eligibility of members to avail e-voting facility is 8th September, 2017. The voting rights of members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date.

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

Please read the instructions given below before exercising the vote.

- i. Open the PDF file “e-Voting.pdf” with your client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
- ii. If you are already registered with NSDL for e-voting then you have to use your existing user ID and Password/PIN to cast your vote.
- iii. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
- iv. Click on “Shareholder – Login”
- v. Put user ID and password as initial password/PIN noted in step (i) above. Click Login.

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- vi. Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vii. Home page of e-voting opens. Click on “e-Voting: Active Voting Cycles”.
- viii. Select “EVEN” (E-voting Event Number) of Rajath Finance Limited
- ix. Now you are ready for e-voting as Cast Vote page opens.
- x. Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
- xi. Upon confirmation, the message “Vote cast successfully” will be displayed.
- xii. Once you have voted on the resolution, you will not be allowed to modify your vote.
- xiii. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to dave.purvig@gmail.com with a copy marked to evoting@nsdl.co.in

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

Contact: Mr. Mandar Gayakwad - 022-24994559 / Ms. Pallavi Majtre - 022-24994545 / Mr. Rajeev Ranjan - 022-24994738

Mail at:

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

Email at: evoting@nsdl.co.in

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

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

DIRECTORS' REPORT

To,
The Members,
Rajath Finance Limited,

Your Directors are pleased to present their 33rd Annual Report for the financial year ended on 31st March, 2018.

FINANCIAL RESULTS:

33rd ANNUAL REPORT

Your Company's performance for the year ended on 31st March, 2018, is summarized as under:

(Amt. in Rs.)

SR. NO.	PARTICULARS	2017-18	2016-17
1.	Revenue from Operation	25,73,335	35,73,182
2.	Other Income	13,496	5,841
3.	Total Revenue (1+2)	25,86,831	35,79,023
4.	Employee Benefit Expenses	4,05,115	3,58,387
5.	Depreciation & Amortization Exp.	1,26,616	92,851
6.	Other Expenses	68,36,201	46,09,572
7.	Profit/(Loss) Before Tax	(47,81,101)	(14,81,787)
8.	Current Tax	0	0
9.	Deferred Tax	(12,67,714)	(2,24,251)
10.	Excess/short provision relating earlier year tax	0	1,25,020
11.	Profit/(Loss) After Tax (PAT)	(35, 13,387)	(13,82,556)

STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK :

During the year under review, your Company's revenue has decreased to Rs. 25,73,335/- from Rs. 35,73,182/- revenue of previous year. Due to increase in other expenses Net loss of the Company is Rs. 35, 13,387/- from Rs. 13,82,556/-. Management of the Company has made their total effort to convert its losses into profit but unable to succeed. Furthermore looking at the positive market scenario for the financial sector management of the Company foresees better performance of the Company.

DECLARATION OF DIVIDEND & TRANSFER OF AMOUNT TO RESERVES :

Due to loss, your Board of Directors does not recommend any dividend for the financial year 2017-18. Moreover, no amount is being transferred to Reserves during the financial year 2017-18.

SHARE CAPITAL:

The paid-up Equity Share Capital of the company as on March 31, 2018 was Rs. 4 crores. During the year under review, the Company has not issued any shares or any convertible instruments.

EXTRACT OF ANNUAL RETURN:

Pursuant to Section 134 (3) (a) of Companies Act, 2013, Form MGT 9 [as specified in Section 92(3) read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014] the extract of Annual Return for the Financial Year 2017-18 is enclosed with this report as Annexure-I.

BOARD MEETINGS AND INDEPENDENT DIRECTOR'S MEETING :

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The Board of Directors of the Company respectively met five times on 20/04/2017, 05/05/2017, 08/08/2017, 02/11/2017 and 07/02/2018 during the financial year 2017-18.

Further, the Independent Directors meeting was held on 7th February, 2018 to review the performance of non-independent directors and the Board as a whole, taking into account the views of executive directors and non-executive directors and assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

BOARD'S RESPONSIBILITY STATEMENT:

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

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed and there are no material departures from the same;
- b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period;
- c) the directors have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors have prepared the annual accounts on a going concern basis; and
- e) the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively.
- f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

DECLARATION (OF INDEPENDENCE) BY INDEPENDENT DIRECTORS:

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

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

RATIO OF REMUNARATION OF EACH DIRECTOR TO THE MEDIAN REMUNARATION OF THE EMPLOYEES OF THE COMPANY FOR THE FINANCIAL YEAR 2016-17:

The information required pursuant to section 197 (12) read with Rule 5 (1) (i) of the Companies (Appointment and Remuneration) Rules 2014 in respect of ratio of remuneration of each director to the

median remuneration of the employee of the Company for the financial year 2017-18, will be made available for inspection at its registered office of the Company during the working hours for a period of twenty one days before the date of Annual General Meeting of the company pursuant to Section 136 of the Companies Act, 2013 and members, if any interested in obtaining the details thereof, shall make specific request to the officer of the Company in this regard.

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

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

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

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

STATUTORY AUDITOR AND AUDITORS' REPORT:

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

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

SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT:

The Board has appointed Nayna Parasmalji Chopra, Practising Company Secretary, to conduct Secretarial Audit for the financial year 2017-18. The Secretarial Audit Report for the financial year ended March 31, 2018 is annexed herewith as Annexure II. The Secretarial Auditors have observed about the non-appointment of Company Secretary, Chief Financial Officer, and Internal Auditor in the Company. The delay in the appointments has been occurred due to weak financial position of the Company. However, the management is assuring that the Company will soon proceed for the appointment of the required KMPs in terms of the provisions of the Companies Act, 2013.

PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS MADE:

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

PARTICULARS OF CONTRACTS/ARRANGEMENTS WITH RELATED PARTIES:

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

CORPORATE SOCIAL RESPONSIBILITY (CSR):

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

BOARD OF DIRECTORS:

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

In terms of Section 152 (6) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Bhavdeep V. Vala, Director (DIN: 00153775) retires by rotation and being eligible, has offered himself for re-appointment. The Board recommends the same for your approval.

In terms of Section 149(10) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Janish Navinchandra Ajmera, [DIN: 06708217] being eligible, has offered himself for re-appointment. The Board recommends the same for your approval.

As on 31st March, 2018, Composition of Board of Directors was as follows:

Sr No.	Name	Designation	Category	Director Identification Number (DIN)	Date of Appointment
1	Mr. Hitesh Manubhai Bagdai	Managing Director	Executive	00575732	27/02/2007
2	Mr. Bhavdeep Vajubhai Vala	Director	Executive	00153775	27/02/2007

3	Mr. Kantilal Kalidas Khakhar	Director	Independent	01957569	05/02/2008
4	Mr. Ketanbhai Govindbhai Dhulesiya	Director	Independent	02252208	31/03/2009
5	Mrs. Poonam Hitesh Bagdai	Director	Non-Executive & Non-Independent	00353024	30/10/2015
6	Mr. Janish Navinchandra Ajmera	Director	Independent	06708217	30/12/2013

BOARD COMMITTEES:

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

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

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

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

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

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

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

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

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

PARTICULARS OF EMPLOYEES :

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

CORPORATE GOVERNANCE :

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

SUBSIDIARIES, JOINT VENTURE OR ASSOCIATE COMPANIES:

As on 31st March, 2018, the Company doesn't have any Subsidiary, Joint Venture or Associate Companies.

INTERNAL FINANCIAL CONTROLS:

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

VIGIL MECHANISM:

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

OTHER DISCLOSURES :

- Your Company has not invited/ accepted any Deposits under the provisions of Section 73 of the Companies Act, 2013 and the Rules made there under.
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company’s operations in future.
- During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- There have been no instances of any revision in the Board’s Report or the financial statement, hence disclosure under Section 131(1) of the Act.
- The Company has not paid any commission to any of its Directors and hence, provision of disclosure of commission paid to any Director as mentioned in Section 197(14) is not applicable.
- The Company has not issued any shares to any employee, under any specific scheme, and hence, disclosures under Section 67(3) are not required to be made.
- No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company.
- The Company is not required to get its cost records audited for the financial year 2017-18

ACKNOWLEDGEMENT :

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

Date : 29/05/2018
Place : Rajkot

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

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

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

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

Financial Year ended on 31/03/2018

(I) REGISTRATION AND OTHER DETAILS:

(i)	CIN	L65910GJ1984PLC007486
(ii)	Registration date	13 TH December, 1984
(iii)	Name of the Company	Rajath Finance Limited
(iv)	Category/Sub-category of the Company	Company having share capital

RAJATH FINANCE LIMITED

(v)	Address of the Registered Office and Contact Details	Address of Registered Office: 208 - 215 Star Plaza, PhulchhabChowk, Rajkot - 360 001 Gujarat Contact Details: Phone: 0281 - 2447800 / 3013344 Fax: 0281 - 2454271 E-Mail Id: investorrelationsrajath@hotmail.com website: www.rajathfinance.com
(vi)	Whether Listed Company? Yes / No	Yes
(vii)	Name, address and contact details of Registrar and Share Transfer Agent.	Link Intime India Private Limited 5 th Floor, 506 to 508, Amarnath Business Centre-1(ABC-1), Beside Gala Business Centre, Off C G Road, Navrangpura,Ahmedabad – 380 009 Tele No. 079 - 26465179 Email: ahmedabad@linkintime.co.in

(II) PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

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

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

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

(IV) SHAREHOLDING PATTERN:(Equity Share Capital Break up as % to total Equity)										
(i) Category - wise shareholding:										
Sr. No.	Category of Shareholders	No of Shares held at the beginning of the year01.04.2017				No of Shares held at the end of the year31.03.2018				%Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A	PROMOTERS									
(1)	Indian	---	---	---	---	---	---	---	---	---
(a)	Individual/HUF	279055 5	---	279055 5	69.76 %	279055 5	---	279055 5	69.76 %	---
(b)	Central Govt.	---	---	---	---	---	---	---	---	---
(c)	State Govt.(s)	---	---	---	---	---	---	---	---	---
(d)	Bodies Corp.	---	---	---	---	---	---	---	---	---
(e)	Banks/FIs	---	---	---	---	---	---	---	---	---
(f)	Any Other	---	---	---	---	---	---	---	---	---
	Sub - Total (A) (1)	279055 5	---	279055 5	69.76 %	279055 5	---	279055 5	69.76 %	---
(2)	Foreign	---	---	---	---	---	---	---	---	---
(a)	NRI - Individuals	---	---	---	---	---	---	---	---	---
(b)	Other - Individuals	---	---	---	---	---	---	---	---	---
(c)	Bodies Corp.	---	---	---	---	---	---	---	---	---
(d)	Banks/FI	---	---	---	---	---	---	---	---	---
(e)	Any Other	---	---	---	---	---	---	---	---	---
	Sub - Total (A) (2)	---	---	---	---	---	---	---	---	---
	TOTAL Shareholding of Promoter (A) = (A) (1) + (A) (2)	279055 5	---	279055 5	69.76 %	279055 5	---	279055 5	69.76 %	---
B	PUBLIC SHAREHOLDING									
1	Institutions									
(a)	Mutual Funds	---	---	---	---	---	---	---	---	---
(b)	Banks/FI	---	---	---	---	---	---	---	---	---
(c)	Central Govt.	---	---	---	---	---	---	---	---	---
(d)	State Govt.	---	---	---	---	---	---	---	---	---
(e)	Venture Capital Funds	---	---	---	---	---	---	---	---	---
(f)	Insurance Companies	---	---	---	---	---	---	---	---	---
(g)	FIs	---	---	---	---	---	---	---	---	---
(h)	Foreign Venture Capital Funds	---	---	---	---	---	---	---	---	---
(i)	Others (Specify)	---	---	---	---	---	---	---	---	---
(j)	Sub - Total (B)(1)	---	---	---	---	---	---	---	---	---
2	Non-Institutions									
(a)	Bodies Corporate									
(i)	Indian	986741	1500	988241	24.71	986312	1500	987812	24.70	0.01%

RAJATH FINANCE LIMITED

					%				%	
(ii)	Overseas	---	---	---	---	---	---	---	---	---

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Sr. No.	Category of Shareholders	No of Shares held at the beginning of the year 01.04.2017				No of Shares held at the end of the year 31.03.2018				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(b)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs.1 Lakh	18415	114968	133383	3.33%	18815	114568	133383	3.33%	---
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh.	87000	---	87000	2.17%	87000	---	87000	2.17%	-0.04%
(c)	Others (specify)									
	Hindu Undivided Family	571	---	571	0.0143%	1000	---	1000	0.025%	0.0107%
	Non-Resident Indians (Non Repat)	150	---	150	0.0038%	150	---	150	0.0038%	---
	Clearing Member	100	---	100	0.0025%	100	---	100	0.0025%	---
	Sub-total(B) (2)	1092977	116468	1209445	30.24	1093377	116068	1209445	30.24%	---
	Total Public shareholding (B)=B(1)+B(2)	1092977	116468	1209445	30.24%	1093377	116068	1209445	30.24%	---
C	Shares held by Custodian for ADRs and GDRs.	---	---	---	---	---	---	---	---	---
GRAND TOTAL		3883532	116468	4000000	100%	3883932	116068	4000000	100%	---

(ii) Shareholding of Promoters:

Sr. No.	Shareholder's name	Shareholding at the beginning of the year 01.04.2017			Shareholding at the end of the year 31.03.2018			% Change
		No. of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	
1	Hitesh Mansukhbhai Bagdai	8,96,853	22.42%	---	8,96,853	22.42%	---	---
2	Poonamben Hitesh Bagdai	8,96,851	22.42%	---	8,96,851	22.42%	---	---
3	Bhavdeep Vajubhai Vala	9,96,851	24.92%	---	9,96,851	24.92%	---	---
GRAND TOTAL		27,90,555	69.76%	---	27,90,555	69.76%	---	---

RAJATH FINANCE LIMITED

(iii) Change in Promoter's Shareholding:

Sr. No.	Particulars	Shareholding at the beginning of the year 01.04.2017		Cumulative Shareholding during the year 31.03.2018	
		No. of Shares	% of total shares of Company	No. of Shares	% of total shares of the Company
1	At the beginning of the year	27,90,955	69.76%	27,90,955	69.76%
2	Date wise increase/decrease in promoters shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/ transfer/bonus/ sweat equity, etc.)	No Change	No Change	No Change	No Change
3	At the end of the year	27,90,955	69.76%	27,90,955	69.76%

(iv) Shareholding Pattern of top ten shareholders:

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

Sr. No	Particulars	Shareholding at the beginning of the year 01.04.2017		Change in Shareholding			Cumulative Shareholding during the year 31.03.2018	
		No. of Shares	% of total shares of Company	Date	Increasing Decreasing in Share holding	Reason	No. of Shares	% of total shares of the Company
1	K.A.INVESTMENTS CONSULTANCY LLP	826012	20.65%	---	---	---	826012	20.65%
2	SAMRUDDHI FINSTOCK PRIVATE LIMITED	160000	4.00%	---	---	---	160000	4.00%
3	HEMANT RATILAL SHAH	87000	2.18%	---	---	---	87000	2.18%
4	SHUKLA NATWARLAL B	4000	0.10%	---	---	---	4000	0.10%
5	PIPALIA LALJIBHAI M	2400	0.06%	---	---	---	2400	0.06%
6	PRITI NAVIN NISHAR	2001	0.05%	---	---	---	2001	0.05%
7	RAJESHKUMAR RAMJIBHAI PATEL	1603	0.03%	---	---	---	1603	0.03%
8	MUKUND G SHAH	1400	0.04%	---	---	---	1400	0.04%
9	KAMLESH KUMAR PAL	1200	0.03%	---	---	---	1200	0.03%
10	BABULAL R. PRAJAPATI	1100	0.03%	---	---	---	1100	0.03%

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

Sr. No.	For Each of the Director and KMP	Shareholding at the beginning of the year 01.04.2017		Cumulative shareholding during the year 31.03.2018	
		No. of Shares	% of Total shares of the Company	No. of Shares	% of Total shares of the Company
1	At the beginning of the year	896853	22.42%	896853	22.42%
2	Date wise increase/decrease in share holding during the year specifying the reasons for increase/decrease (e.g. allotment, transfer, bonus, sweat equity, etc.)	---	---	---	---
3	At the end of the year (or on the date of separation, if separated during the year)	896853	22.42%	896853	22.42%

2. Bhavdeep Vajubhai Vala - Director:

Sr. No.	For Each of the Director and KMP	Shareholding at the beginning of the year 01.04.2017		Cumulative shareholding during the year 31.03.2018	
		No. of Shares	% of Total shares of the Company	No. of Shares	% of Total shares of the Company
1	At the beginning of the year	996851	24.92%	996851	24.92%
2	Date wise increase/decrease in share holding during the year specifying the reasons for increase/decrease (e.g. allotment, transfer, bonus, sweat equity, etc.)	---	---	---	---
3	At the end of the year (or on the date of separation, if separated during the year)	996851	24.92%	996851	24.92%

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3. Poonam Hitesh Bagdai -Director:

Sr. No.	For Each of the Director and KMP	Shareholding at the beginning of the year 01.04.2017		Cumulative shareholding during the year 31.03.2018	
		No. of Shares	% of Total shares of the Company	No. of Shares	% of Total shares of the Company
1	At the beginning of the year	896851	22.42%	896851	22.42%
2	Date wise increase/ decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment, transfer, bonus, sweat equity, etc.)	No Change	No Change	No Change	No Change
3	At the end of the year (or on the date of separation, if separated during the year)	896851	22.42%	896851	22.42%

(V) INDEBTEDNESS:

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

	Secured Loans Excluding Deposited	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i)Principal Amount	--	--	--	--
(ii)Interest due but not paid	--	--	--	--
(iii)Interest accrued but not due	---	---	---	---
Total (i+ii+iii)	---	---	---	---
Change in Indebtedness During the financial year				
*Addition	---	---	---	---
*Reduction	---	---	---	---
Net Change	---	---	---	---

Indebtedness at the end of the financial year				
(i)Principal Amount	---	---	---	---
(ii)Interest due but not paid	---	---	---	---
(iii)Interest accrued but not due	---	--	---	---
Total (i+ii+iii)	---	---	---	---

(VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

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

RAJATH FINANCE LIMITED

B. Remuneration to other Directors:

Sr No	Particulars of Remuneration	Bhavdeep Vala Executive Director	Kantilal Khakhar Independent Director	Ketan Desai Independent Director	Janish Ajmera Independent Director	Poonam Bagdai Non-executive & Non-Independent Director
1	Independent Director	---	---	---	---	---
-	Fees for attending Board/ Committee Meeting					
-	Commission					
-	Other, please specify					
--	TOTAL (B) (1)					
2	Other Non - Executive Director	---	---	---	---	---
-	Fees for attending Board/ committee meeting					
-	Commission					
-	Other, please specify					
--	TOTAL (B) (2)					
	TOTAL (B) (2)	---	---	---	---	---
	Total(B) = (1+2)	---	---	---	---	---
	Total Managerial Remuneration	---	---	---	---	---

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

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

RAJATH FINANCE LIMITED

(VII) PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

Date : 29/05/2018
Place : Rajkot

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

(HITESH BAGDAI)
MANAGING DIRECTOR
(DIN: 00575732)

(BHAVDEEP VALA)
DIRECTOR
(DIN: 00153775)

Form AOC 2

“Annexure – II”

To

Directors’ Report of Rajath Finance Limited

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

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

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

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

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

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

Note:

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

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

Date : 29/05/2018

Place : Rajkot.

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

RAJATH FINANCE LIMITED

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2018

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

RAJATH FINANCE LIMITED

RAJKOT

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **RAJATH FINANCE LIMITED (CIN: L65910GJ1984PLC007486)** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. Based on my verification of **RAJATH FINANCE LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its Officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended March 31, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made there under;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- III. The Depositories Act, 1996 and the Regulations and bye-laws framed there under;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made there under;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the Company during the Audit Period);**
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period);**
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period);** and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period);**
- VI. Reserve Bank of India Act, 1934, Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998, Non Banking Finance Companies (Establishment and Regulation) Rules, 2003, Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank)

Directions, 1998, Issuance of Non-Convertible Convertible Debentures (Reserve Bank) Directions, 2010, Consolidated FDI Policy 2013 issued by DIPP, Securitisation Companies and Reconstruction Companies (Reserve Bank) Guidelines and Directions, 2003 Employees Provident Fund and Miscellaneous Provisions Act, 1952; and other applicable labour laws.

- VII. Indian Contract Act, 1872;
- VIII. Income Tax Act, 1961 and Indirect Tax laws;
- IX. Indian Stamp Act, 1999;
- X. Negotiable Instruments Act, 1881;

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

- i. Secretarial Standards issued by the Institute of Company Secretaries of India.
- ii. The Listing Agreement entered into by the Company with BSE Limited.

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

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

It has been observed that during the period under audit, the company has not appointed company secretary pursuant to provisions of The Companies Act, 2013.

Adequate notice is given, in general, to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information's and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

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

- (i) Public / Rights / Preferential issue of shares / debentures / sweat equity.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
- (iv) Merger/ amalgamation/reconstruction etc.
- (v) Foreign technical collaborations.

PLACE : AHMEDABAD

DATE : 29.05.2018

CHOPRA NAYNA PARASMALJI

PRACTISING COMPANY SECRETARY

ACS: 32833 CP No. 12187

RAJATH FINANCE LIMITED

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

ANNEXURE A

To,
The Members,
RAJATH FINANCE LIMITED
RAJKOT.

Dear Sir,

My Secretarial Audit Report of even date for the Financial Year ended on 31st March, 2018 is to be read along with this letter.

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

PLACE : AHMEDABAD
DATE : 29.05.2018
SECRETARY

CHOPRA NAYNA PARASMALJI
PRACTISINGCOMPANY

ACS: 32833 CP No. 12187

CERTIFICATE OF NON APPLICABILITY OF CORPORATE GOVERNANCE REQUIREMENTS

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

For S A D P & Co.

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

**(P G Bhuptani)
Partner**

Membership no. :122330

Place: Rajkot

Date: **29/05/2018**

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of **M/S RAJATH FINANCE LTD.** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

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, 2018, and its profit/loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Place:-Rajkot
Date: 29/05/2018

PARAG GUNVANTRAI BHUPTANI
(PARTNER)
Membership No. 122330

RAJATH FINANCE LIMITED

Annexure 'A'

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

We report that:

- i.
 - a. The company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
 - b. As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
 - c. The title deeds of immovable properties are held in the name of the company.
- ii. As explained to us, inventories have been physically verified during the year by the management at reasonable intervals. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
- iii. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii (a), (b) and (c) of the order are not applicable to the Company
- iv. In respect of loans, investments, guarantees, and security, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- v. The company has not accepted any deposits from the public covered under sections 73 to 76 of the Companies Act, 2013.
- vi. As per information & explanation given by the management, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- vii.
 - a. According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, value added tax, cess and any other statutory dues to the extent applicable, have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2016 for a period of more than six months from the date they became payable.
 - b. According to the information and explanations given to us, there is no amount payable in respect of income tax, service tax, sales tax, customs duty, excise duty, value added tax and cess whichever applicable, which have not been deposited on account of any disputes.
- viii. In our opinion and according to the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank, Government or debenture holders, as applicable to the company.
- ix. Based on our audit procedures and according to the information given by the management, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) or taken any term loan during the year.
- x. According to the information and explanations given to us, we report that no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us, we report that managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- xii. The company is not a Nidhi Company. Therefore clause xii) of the order is not applicable to the company.
- xiii. According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.

- xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv. The company has not entered into non-cash transactions with directors or persons connected with him.

The company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and the registration has been obtained.

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

Place:-Rajkot
Date: 29/05/2018

PARAG GUNVANTRAI BHUPTANI
(PARTNER)
Membership No. 122330

RAJATH FINANCE LIMITED

Annexure 'B'

Report on Internal Financial Controls Over Financial Reporting

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of M/S RAJATH FINANCE LTD. ("the Company") as of March 31, 2018 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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place:-Rajkot
Date: 29/05/2018

PARAG GUNVANTRAI BHUPTANI
(PARTNER)
Membership No. 122330

RAJATH FINANCE LIMITED

Balance Sheet as at 31st March 2018		₹ in rupees	
Particulars	Note No.	As at 31st March 2018	As at 31st March 2017
EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	2	4,00,00,000	4,00,00,000
Reserves and surplus	3	2,98,97,018	3,34,10,405
Money received against share warrants		Nil	Nil
		6,98,97,018	7,34,10,405
Share application money pending allotment		Nil	Nil
Non-current liabilities			
Long-term borrowings		Nil	Nil
Deferred tax liabilities (Net)	4	Nil	3,49,506
Other long term liabilities		Nil	Nil
Long-term provisions	5	54,46,021	6,80,704
		54,46,021	10,30,210
Current liabilities			
Short-term borrowings		Nil	Nil
Trade payables	6		
(A) Micro enterprises and small enterprises		Nil	Nil
(B) Others		17,45,460	9,16,746
Other current liabilities	7	5,879	6,940
Short-term provisions	5	96,005	77,277
		18,47,344	10,00,963
TOTAL		7,71,90,383	7,54,41,578
ASSETS			
Non-current assets			
Fixed assets	8		
Tangible assets		30,38,363	24,75,229
Intangible assets		Nil	Nil
Capital work-in-Progress		Nil	Nil
Intangible assets under development		Nil	Nil
Non-current investments	9	3,10,763	3,10,763
Deferred tax assets (net)	4	9,18,208	Nil
Long-term loans and advances	10	4,68,361	3,54,665
Other non-current assets		Nil	Nil
		47,35,695	31,40,657
Current assets			
Current investments		Nil	Nil
Inventories	11	2,09,430	2,09,430
Trade receivables		Nil	Nil
Cash and cash equivalents	12	12,61,116	15,62,308
Short-term loans and advances	10	7,09,84,142	7,05,29,183
Other current assets		Nil	Nil
		7,24,54,688	7,23,00,921
TOTAL		7,71,90,383	7,54,41,578

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

As per our report of even date

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

For and on behalf of the Board of Directors

PARAG GUNVANTRAI
BHUP TANI
PARTNER
Membership No.: 122330
Place: Rajkot
Date: 29/05/2018

Bhavdeep Vala
Director
DIN: 00153775

Hitesh Bagdai
Managing Director
DIN: 00575732

Statement of Profit and loss for the year ended 31st March 2018

₹ in rupees

Particulars	Note No.	31st March 2018	31st March 2017
Revenue			
Revenue from operations	13	25,73,335	35,73,182
Less: Excise duty		Nil	Nil
Net Sales		25,73,335	35,73,182
Other income	14	13,496	5,841
Total revenue		25,86,831	35,79,023
Expenses			
Changes in inventories	15	Nil	Nil
Employee benefit expenses	16	4,05,115	3,58,387
Finance costs		Nil	Nil
Depreciation and amortization expenses	17	1,26,616	92,851
Other expenses	18	68,36,201	46,09,572
Total expenses		73,67,932	50,60,810
Profit before exceptional, extraordinary and prior period items and tax		(47,81,101)	(14,81,787)
Exceptional items		Nil	Nil
Profit before extraordinary and prior period items and tax		(47,81,101)	(14,81,787)
Extraordinary items		Nil	Nil
Prior period item		Nil	Nil
Profit before tax		(47,81,101)	(14,81,787)
Tax expenses			
Current tax		Nil	Nil
Deferred tax		(12,67,714)	(2,24,251)
Excess/short provision relating earlier year tax	20	Nil	1,25,020
Profit(Loss) for the period		(35,13,387)	(13,82,556)
Earning per share			
Basic	21		
Before extraordinary Items		(0.88)	(0.35)
After extraordinary Adjustment		(0.88)	(0.35)
Diluted			
Before extraordinary Items		Nil	Nil
After extraordinary Adjustment		Nil	Nil

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

For S A D P AND CO

Chartered Accountants

(FRN: 112625W)

For and on behalf of the Board of Directors

PARAG

GUNVANTRAI

BHUPTANI

PARTNER

Membership No.:

122330

Place: Rajkot

Date: 29/05/2018

BhavdeepVala

Director

DIN: 00153775

Hitesh Bagdai

Managing Director

DIN: 00575732

RAJATH FINANCE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March 2018

₹ in rupees

PARTICULARS	31st March 2018	31st March 2017
A. Cash Flow From Operating Activities		
Net Profit before tax and extraordinary items(as per Statement of Profit and Loss)	(47,81,101)	(14,81,787)
Adjustments for non Cash/ Non trade items:		
Depreciation & Amortization Expenses	1,26,616	92,851
Dividend income	(13,496)	(5,841)
Other Inflows / (Outflows) of cash	47,65,317	4,74,338
Operating profits before Working Capital Changes	97,336	(9,20,439)
Adjusted For:		
Increase / (Decrease) in trade payables	8,28,714	8,58,093
Increase / (Decrease) in other current liabilities	17,667	(1,58,053)
(Increase) / Decrease in Short Term Loans & Advances	(4,92,975)	(16,26,662)
Cash generated from Operations	4,50,742	(18,47,061)
Income Tax (Paid) / Refund	(75,680)	(55,830)
Net Cash flow from Operating Activities(A)	3,75,062	(19,02,891)
B. Cash Flow From Investing Activities		
Purchase of tangible assets	(6,89,750)	(12,350)
Cash advances and loans made to other parties	Nil	(74,550)
Dividends received	13,496	5,841
Net Cash used in Investing Activities(B)	(6,76,254)	(81,059)
C. Cash Flow From Financing Activities		
D. Net Increase / (Decrease) in Cash & Cash Equivalents(A+B+C)	(3,01,192)	(19,83,950)
E. Cash & Cash Equivalents at Beginning of period	15,62,308	35,46,258
F. Cash & Cash Equivalents at End of period	12,61,116	15,62,308
G. Net Increase / (Decrease) in Cash & Cash Equivalents(F-E)	(3,01,192)	(19,83,950)

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

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

For and on behalf of the Board of Directors

PARAG
GUNVANTRAI
BHUPTANI
PARTNER
Membership
No.:122330
Place: Rajkot
Date: 29/05/2018

BhavdeepVala
Director
DIN: 00153775

Hitesh Bagdai
Managing Director
DIN: 00575732

Note:

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

Notes to Financial statements for the year ended 31st March 2018**Note No. 1 Significant Accounting Policies****1. General Information**

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

2. Statement of significant accounting policies**Basis of Preparation**

These financial statements have been prepared in accordance with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known/materialized

All assets and liabilities have been classified as current or non current as per the criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of the products and services and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non current classification of its assets and liabilities.

System of Accounting

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

Fixed Assets and Depreciatoin

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

Investments

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

Inventories

Inventories are stated at cost.

Income From**(i) Financing Activity**

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

(ii) Investment

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

(iii) Other Income

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

Receivable under financing activity

- (i) Receivables under financing activity represent principal and accrued interest outstanding at the close of the year but net of amount written off.
- (ii) The company assesses all receivables for their recoverability and accordingly makes provisions for non-performing assets and delinquent assets not yet NPA as considered necessary including by accelerating provision to an early stage based on past experience, emerging trends and estimates. However, the Company ensures that the said provisions are not lower than the provisions stipulated in the applicable Reserve Bank of India (RBI) Regulations/Guidelines.
- (iii) A General provision as required by RBI Regulations, is also made by the Company on the standard assets outstanding which is disclosed under 'long term provisions' in the financial statements.

RAJATH FINANCE LIMITED

Taxation

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

The previous year figures have been regrouped / reclassified, wherever necessary to confirm to the current year presentation.

Note No. 2 Share Capital

₹ in rupees

Particulars	As at 31st March 2018	As at 31st March 2017
Authorised :		
7500000 (31/03/2017:7500000) Equity shares of Rs. 10.00/- par value	7,50,00,000	7,50,00,000
Issued :		
4000000 (31/03/2017:4000000) Equity shares of Rs. 10.00/- par value	4,00,00,000	4,00,00,000
Subscribed and paid-up :		
4000000 (31/03/2017:4000000) Equity shares of Rs. 10.00/- par value	4,00,00,000	4,00,00,000
Total	4,00,00,000	4,00,00,000

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

Equity shares

₹ in rupees

	As at 31st March 2018		As at 31st March 2017	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the period	40,00,000	4,00,00,000	40,00,000	4,00,00,000
Issued during the Period	Nil	Nil	Nil	Nil
Redeemed or bought back during the period	Nil	Nil	Nil	Nil
Outstanding at end of the period	40,00,000	4,00,00,000	40,00,000	4,00,00,000

Right, Preferences and Restriction attached to shares

Equity shares

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

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

Type of Share	Name of Shareholders	As at 31st March 2018		As at 31st March 2017	
Type of Share	Name of Shareholders	No. of Shares	% of Holding	No. of Shares	% of Holding
Equity [NV: 10.00]	Hitesh Bagdai	8,96,853	22.42	8,96,853	22.42
Equity [NV: 10.00]	PoonamBagdai	8,96,851	22.42	8,96,851	22.42
Equity [NV: 10.00]	BhavdeepVala	9,96,851	24.92	9,96,851	24.92
Equity [NV: 10.00]	K A Investments Consultancy LLP	8,26,012	20.65	8,26,012	20.65
	Total :	36,16,567	90.41	36,16,567	90.41

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Note No. 3 Reserves and surplus		₹ in rupees				
Particulars	As at 31st March 2018	As at 31st March 2017				
General reserve						
Opening Balance	24,32,879	24,32,879				
Add: Addition during the year	Nil	Nil				
Less : Deletion during the year	Nil	Nil				
Closing Balance	24,32,879	24,32,879				
Special reserve						
Opening Balance	50,16,603	50,16,603				
Add: Addition during the year	Nil	Nil				
Less : Deletion during the year	Nil	Nil				
Closing Balance	50,16,603	50,16,603				
Surplus						
Opening Balance	(40,95,577)	(27,13,021)				
Add: Addition during the year	Nil	Nil				
Less: Loss for the year	(35,13,387)	(13,82,556)				
Closing Balance	(76,08,964)	(40,95,577)				
Capital reserve						
Opening Balance	3,00,56,500	3,00,56,500				
Add: Addition during the year	Nil	Nil				
Less : Deletion during the year	Nil	Nil				
Closing Balance	3,00,56,500	3,00,56,500				
Balance carried to balance sheet	2,98,97,018	3,34,10,405				
Note No. 4 Deferred Tax		₹ in rupees				
Particulars	As at 31st March 2018	As at 31st March 2017				
Deferred tax liability						
Deferred Tax Liability Depreciation	5,37,893	6,06,583				
Gross deferred tax liability	5,37,893	6,06,583				
Deferred tax assets						
Deferred tax asset on NPA Provision	14,02,350	2,03,326				
Deferred Tax Asset on Loss	53,751	53,751				
Gross deferred tax asset	14,56,101	2,57,077				
Net deferred tax assets	9,18,208	Nil				
Net deferred tax liability	Nil	3,49,506				
Note No. 5 Provisions		₹ in rupees				
Particulars	As at 31st March 2018			As at 31st March 2017		
	Long-term	Short-term	Total	Long-term	Short-term	Total
Provision for employee benefit						
Provision for leave encashment	Nil	14,965	14,965	Nil	4,327	4,327
Provsion for Bonus	Nil	33,840	33,840	Nil	30,200	30,200
	Nil	48,805	48,805	Nil	34,527	34,527
Other provisions						
Provision Against Standard Assets	1,46,021	Nil	1,46,021	2,30,704	Nil	2,30,704
Provsion for Non Performing Assets	53,00,000	Nil	53,00,000	4,50,000	Nil	4,50,000
Audit Fee Provisions	Nil	47,200	47,200	Nil	42,000	42,000
Provision for Expenses	Nil	Nil	Nil	Nil	750	750
	54,46,021	47,200	54,93,221	6,80,704	42,750	7,23,454
Total	54,46,021	96,005	55,42,026	6,80,704	77,277	7,57,981

RAJATH FINANCE LIMITED

Note No. 6 Trade payables		₹ in rupees	
Particulars	As at 31st March 2018	As at 31st March 2017	
(B) Others			
Creditors for Expenses	17,45,460	9,16,746	
	17,45,460	9,16,746	
Total	17,45,460	9,16,746	

Note No. 7 Other current liabilities		₹ in rupees	
Particulars	As at 31st March 2018	As at 31st March 2017	
Others payables			
Professional Tax Payable	1,279	280	
TDS Payable	4,600	6,660	
	5,879	6,940	
Total	5,879	6,940	

Note No. 8 Fixed Assets Chart as at 31st March 2018													₹ in rupees
Assets	Useful Life (In Years)	Gross Block					Accumulated Depreciation/ Amortisation				Net Block		
		Balance as at 1st April 2017	Additions during the year	Addition on account of business acquisition	Deletion during the year	Balance as at 31st March 2018	Balance as at 1st April 2017	Provided during the year	Deletion / adjustments during the year	Balance as at 31st March 2018	Balance as at 31st March 2018	Balance as at 31st March 2018	
Tangible assets													
Own Assets													
Premises	60.00	34,94,613	Nil	Nil	Nil	34,94,613	10,32,217	58,602	Nil	10,90,819	24,03,794	24,62,396	
Office Equipments	5.00	1,78,644	Nil	Nil	Nil	1,78,644	1,72,651	1,440	Nil	1,74,091	4,553	5,993	
Air Conditioners	5.00	39,131	Nil	Nil	Nil	39,131	39,131	Nil	Nil	39,131	Nil	Nil	
Furniture and Fixtures	10.00	21,73,163	Nil	Nil	Nil	21,73,163	21,73,163	Nil	Nil	21,73,163	Nil	Nil	
Computers	3.00	8,40,406	6,89,750	Nil	Nil	15,30,156	8,33,566	66,574	Nil	9,00,140	6,30,016	6,840	
Total (A)		67,25,957	6,89,750	Nil	Nil	74,15,707	42,50,728	1,26,616	Nil	43,77,344	30,38,363	24,75,229	
P.Y Total		67,13,607	12,350	Nil	Nil	67,25,957	41,57,877	92,851	Nil	42,50,728	24,75,229	25,55,730	

General Notes :

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

RAJATH FINANCE LIMITED

Note No. 9 Non-current investments		₹ in rupees	
Particulars	As at 31st March 2018	As at 31st March 2017	
Trade Investment(Valued at cost unless stated otherwise)			
Investments in equity Instruments (Quoted)			
In Others			
Equity securities long-term quoted trade (At Cost)	3,09,263	3,09,263	
	3,09,263	3,09,263	
Non-Trade Investment(Valued at cost unless stated otherwise)			
Investments in equity Instruments (Unquoted)			
In Others			
Equity securities long-term unquoted non-trade (At cost)	1,500	1,500	
	1,500	1,500	
Gross Investment	3,10,763	3,10,763	
Net Investment	3,10,763	3,10,763	
Aggregate amount of quoted investments (Market Value:Not Available) (2017:23,98,502)	3,09,263	3,09,263	
Aggregate amount of unquoted investments	1,500	1,500	

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

Note No. 10 Loans and advances		₹ in rupees			
Particulars	As at 31st March 2018		As at 31st March 2017		
	Long-term	Short-term	Long-term	Short-term	
Security Deposit					
Unsecured, considered good	2,69,619	Nil	2,69,619	Nil	
	2,69,619	Nil	2,69,619	Nil	
Other loans and advances					
Amount Receivable from Income Tax Departments	1,98,742	75,680	85,046	1,13,696	
Receivable under financing activities	Nil	7,09,08,462	Nil	7,04,15,487	
	1,98,742	7,09,84,142	85,046	7,05,29,183	
Total	4,68,361	7,09,84,142	3,54,665	7,05,29,183	

Note No. 11 Inventories		₹ in rupees	
Particulars	As at 31st March 2018	As at 31st March 2017	
(Valued at cost or NRV unless otherwise stated)			
Traded goods(Basis of valuation:At cost)	2,09,430	2,09,430	
Total	2,09,430	2,09,430	

Note No. 12 Cash and cash equivalents		₹ in rupees	
Particulars	As at 31st March 2018	As at 31st March 2017	
Balance with banks			
Balance scheduled banks current account	7,15,163	5,05,068	
Total	7,15,163	5,05,068	
Cash in hand			
Cash in hand	5,45,953	10,57,240	
Total	5,45,953	10,57,240	
Total	12,61,116	15,62,308	

Note No. 13 Revenue from operations			₹ in rupees
Particulars	31st March 2017	31st March 2016	
Interest Income			
Interest Income	34,59,274	36,63,194	
Interest Reversal on NPA	(8,85,939)	(90,012)	
	25,73,335	35,73,182	
Net revenue from operations	25,73,335	35,73,182	
Note No. 14 Other income			₹ in rupees
Particulars	31st March 2018	31st March 2017	
Dividend Income	13,496	5,841	
Total	13,496	5,841	
Note No. 15 Changes in inventories			₹ in rupees
Particulars	31st March 2018	31st March 2017	
Inventory at the end of the year			
Finished Goods	2,09,430	2,09,430	
	2,09,430	2,09,430	
Inventory at the beginning of the year			
Finished Goods	2,09,430	2,09,430	
	2,09,430	2,09,430	
Note No. 16 Employee benefit expenses			₹ in rupees
Particulars	31st March 2018	31st March 2017	
Salaries and Wages	3,68,825	3,25,687	
Staff welfare Expenses			
Bonus to Employees	36,290	32,700	
	36,290	32,700	
Total	4,05,115	3,58,387	
Note No. 17 Depreciation and amortization expenses			₹ in rupees
Particulars	31st March 2018	31st March 2017	
Depreciation on tangible assets	1,26,616	92,851	
Total	1,26,616	92,851	
Note No. 18 Other expenses			₹ in rupees
Particulars	31st March 2018	31st March 2017	
Advertising expenses	43,828	62,546	
Annual Custodial Fee	27,600	Nil	
Audit fees	47,200	46,000	
Bank charges	12	1,322	
Repairs and maintenance expenses	18,300	87,821	
Travelling Expenses	1,91,859	82,520	
D-Mat Charges	1,902	Nil	
Donations	15,200	7,10,500	
Electricity expenses	53,171	36,230	
TDS Late Payment Interest	164	385	
Information technology expenses	6,386	7,806	
Legal and professional expenses	2,00,520	2,30,645	
Listing Fee	2,87,500	2,29,000	
Office Exp.	14,096	16,254	
Periodicals and Newspapers	1,610	1,449	
Telephone and postage expenses	10,837	11,462	
Printing and stationery	30,075	30,515	

RAJATH FINANCE LIMITED

Rates and taxes	Nil	1,16,088
Provision against NPA	48,50,000	4,50,000
Bad Debts Expense	1,78,704	15,33,288
Director's remuneration	4,52,400	4,50,000
Provision against standard assets	(84,683)	24,338
Postage expenses	8,718	Nil
Car hire charges	4,80,000	4,80,000
Misc Exp.	802	1,403
Total	68,36,201	46,09,572

Note No. 20 Excess/short provision relating earlier year tax ₹ in rupees

Particulars	31st March 2018	31st March 2017
Current tax pertaining to previous years		1,25,020
Total		1,25,020

Note No. 21 Earning Per Share ₹ in rupees

Particulars	Before Extraordinary items		After Extraordinary items	
	31st March 2018	31st March 2017	31st March 2018	31st March 2017
Basic				
Profit after tax (A)	(35,13,387)	(13,82,556)	(35,13,387)	(13,82,556)
Weighted average number of shares outstanding (B)	40,00,000	40,00,000	40,00,000	40,00,000
Basic EPS (A / B)	(0.88)	(0.35)	(0.88)	(0.35)
Face value per share	Nil	10	Nil	10

Notes on Accounts

- The SSI status of the creditors is not known to the company, hence the information is not given.
- Sundry Creditors, Loans & Advances have been taken at their book value subject to confirmation and reconciliation.

3. Payments to Auditors:-

Auditors Remuneration	2017-2018	2016-2017
Audit Fees	40,000	38,000
Tax Audit Fees	Nil	Nil
Company Law Matters	Nil	Nil
Service Tax	Nil	5,700
GST	7,200	Nil
Total	47,200	43,700

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

5. Related Party disclosure

(A) Related Parties and their Relationship

(I) Key Management Personnel

Hitesh M Bagdai

Transactions with Related parties

(Figure in Lac)

Particulars	Key Management Personnel
Car Hire Charges	4.80
Remuneration	4.50

*For S A D P AND CO
Chartered Accountants*

For M/S RAJATH FINANCE LTD.

*(PARAG GUNVANTRAI BHUPTANI)
PARTNER
Membership No. 122330
Registration No. 112625W*

Hitesh Bagdai

BhavdeepVala

Managing Director

Director

Place:- Rajkot

DIN : 00575732

DIN : 00153775

Date: - 29/05/2018

RAJATH FINANCE LIMITED

ATTENDANCE SLIP

Regd. Folio	
Name and Address of the Shareholders	

1. I hereby record my /our presence at the **ANNUAL GENERAL MEETING** of the Company being held on **Friday, 28th September, 2018 at 11:00 A.M.** at the Registered Office of the Company situated at **208-215, Star Plaza, Phulchhab Chowk, Rajkot-360001,**

2.

3. Signature of the shareholders/ Proxy Present

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

8. PROXY FORM

FORM NO: MGT-11

[Pursuant to Section 105 (96) of the Companies Act., 2013 and Rules 19(3) of the Companies Management and Administration Rules 2014 :

Name of the Company	RAJATH FINANCE LIMITED
Registered Office	208-215, Star Plaza, PhulchhabChowk, Rajkot-360001,Gujarat,India

Name of the Member (s)	
Registered Address	
E-mail Id	
Folio No. / Client Id	
DP/ ID	

I/We, being the member(s)of Shares of the above-named Company, hereby appoint:

(1)	Name:		Address:	
	E-Mail Id		Signature:	Or falling him;
(2)	Name:		Address:	
	E-Mail Id		Signature:	Or falling him;
(3)	Name:		Address:	
	E-Mail Id		Signature:	Signature:

as my /our proxy to attend and vote (on a poll) for me/us and on my /our behalf at the Annual General Meeting of the Company to be held on Friday 28th September, 2018 at 11:00 a.m. at **208-215, Star Plaza, PhulchhabChowk, Rajkot-360001, Gujarat,India**, and any adjournment thereof in respect of such resolutions as are indicated below:

- To receive, consider and adopt the Financial Statement of the Company for the Year ended on 31st March,2018
- Retire by rotation and being eligible Re-appointment of Mr. BhavdeepVajubhaiVala as a Director
- Appointment of M/S. SADP & CO. as a Auditor of the Company
- Re-appointment of the Mr. JanishAjmera as a Independent Director of the Company

Signed this day of.....2018

Signature of Shareholder (s)

Signature of Proxy holder(s)

Affix Revenue Stamp of Rs.1/-
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Notes:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the Commencement of the meeting.